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FURTHER CORRESPONDENCE

RESPECTING

PERSIA

PART 6

January to December 1952

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FURTHER CORRESPONDENCE RESPECTING

PERSIA—PART 6

CHAPTER I.—GENERAL CORRESPONDENCE

EP 1536/7

No. 1

CORRESPONDENCE BETWEEN THE INTERNATIONAL BANK AND THE PERSIAN PRIME MINISTER

December 28, 1951.

My dear Prime Minister,

The visit to Iran of Mr. Rieber and Mr. Prudhomme affords me an opportunity to restate the concepts by which the bank is being guided in formulating a proposal for submission to the Iran and British Governments and the basic principles which it plans to embody in that proposal. These are in substance the same points which you and I discussed in general terms when you were in Washington but they have been made somewhat more specific as a result of our further study.

As I informed you, the bank is ready to lend its good offices to assist in restoring oil operations in Iran in any way that accord with its powers and purposes and is in the interest of Iran, the United Kingdom and the bank's members as a whole. However, the bank recognises that there are real limitations to the services which it can usefully and properly perform and believes that, to avoid possible misunderstanding, these limitations should be made clear in advance to the interested parties.

The bank has no intention of engaging in oil operations permanently or as a business venture. Its sole concern with the Iran oil question is to avoid the economic loss caused by interruption of oil operations and to enable two of its members to settle the issues which have arisen between them. It is not for the bank to adjudicate or arbitrate those differences. The bank is therefore not attempting to develop a proposal for a permanent settlement, but rather to suggest a temporary arrangement to restore large scale oil operations in South Iran so as to provide a steady flow of revenues, without prejudicing the rights of the interested parties.

In view of the responsibilities which the bank would be undertaking, it should not propose any arrangement unless it is satisfied that the arrangement is practicable, is calculated to ensure efficient operations

and does not expose the bank to undue risks.

In the light of these considerations, we conceive that any proposal by the bank must be based on the following principles:—

- (a) The bank would use its best efforts to restore large scale oil operations in South Iran for the benefit of all concerned. The oil operations would be conducted under the management of a neutral top executive group to be selected by the bank and to be responsible to it. The bank would be free to engage and discharge such other personnel as it considered necessary for efficient operations. It would be the bank's policy to engage non-Iran Nationals only to the extent it considered necessary. All management, staff, and other personnel would be responsible to the bank.
- (b) The bank would be given all authority necessary to carry out the temporary arrangement and to provide efficient operations.
- (c) The bank's services would be rendered as an interim measure and it would be understood that the bank's proposal and the temporary arrangement would be without prejudice to the legal rights of the interested parties.
- (d) The bank's services would be performed on a non-profit basis and under conditions appropriate to protect the bank against undue risks.
- (e) The bank would undertake that funds would be made available to defray the expense of restoring operations pending receipt of adequate revenues, the application of the funds to be determined by the bank. These funds would be repayable out of oil revenues.

- (f) The bank would make a bulk export contract for the sale of oil through established distribution channels.
- (g) The proceeds of the sale of oil, after providing for costs, would be allocated as follows: one part to Iran, one part to the bulk buyer and the remainder to be held by the bank in trust.
- (h) The arrangement would be for a period of about two years (in the absence of an earlier final settlement) but provisions would be made for continuance thereafter subject to termination by any party. The bank would have the right to terminate the arrangement at any time.

The foregoing are the basic elements (except for the question of the price at which oil would be sold and the proportions in which proceeds would be distributed) which would be embodied in the bank's proposal, but other substantial points would of course, also be covered. As you know, we are working diligently on putting our proposal into definitive shape. We shall appreciate, and give due consideration to, any information which you may care to transmit to us through Messrs. Rieber and Prudhomme. It is our hope that our proposal will be ready shortly after they return from Iran.

Before submitting a proposal to the two governments, it will be necessary for us to have the approval of our executive directors and I believe they will wish to know that the principles embodied in the proposal are generally acceptable to your government as a basis for discussions. I am asking for a similar assurance from the government of the United Kingdom.

Sincerely yours,

R. L. GARNER,
Vice-President.

3rd January, 1952.

Dear Mr. Garner,

Your letter of 28th December, 1951 was duly received through the representatives of the international bank for reconstruction and development. The said letter is not in complete agreement with the discussions which we had in Washington, D.C., for our discussions were limited to the general principles; while in this letter you have entered into certain details which were completely absent in our Washington discussions. Hence I request you furnish me with the necessary explanations regard-

ing the points enumerated below, if possible by wire:—

(1) The phrase "The bank would use its best efforts to restore large scale oil operations in South Iran for the benefit of all concerned" requires elucidation, i.e., please specify "Those who are concerned" are of what nationalities? Because the Iran Government feels not to have any further obligation after having issued its ten-day notice to its former oil customers in the years 1948-1950, to which no reply has been given.

(2) The phrase "The oil operations would be conducted under the management of a neutral top executive group to be selected by the bank and to be responsible to it" also requires explanation. Please explain the term "Neutral Top Executive Group." Are they neutral governments or impartial persons from the nationals of other governments?

(3) The sentences "The bank would be free to engage and discharge such other personnel as it considered necessary for efficient operations. It would be the bank's policy to engage non-Iran Nationals only to the extent it considered necessary" require elucidation. Are these non-Irans personnel selected from the nationals of all the nations, or are there any exceptions as pointed out by me during the course of our meeting?

(4) The sentence "The bank would be given all authority necessary to carry out the temporary arrangement and to provide efficient operations" is deserving of explanations. Are these powers granted to the bank for technical affairs, or do they include economic aspects as well?

(5) The sentence "The bank's services would be rendered as an interim measure and it would be understood that the bank's proposal and the temporary arrangement would be without prejudice to the legal rights of the interested parties" needs explanation. The Iran Government feels free to reject any proposal which prejudices its legal rights, and has no obligation to accept any proposal submitted by the bank.

(6) The sentence "The bank would make a bulk export contract for the sale of oil through established distribution channels" needs elucidation. Will this contract be made with the Iran Government or with other governments?

(7) The sentence "The proceeds of the sale of oil, after providing for costs, would be allocated as follows: One part to Iran, one part to the bulk buyer and the remainder to be held by the bank in trust"

is not acceptable to us. For we can give discounts only to such purchasers of our oil that will be deducted from the international prices at the time the transactions take place. This action needs the prior agreement of the Iran Government; and since the purchasers of our oil have no partnership with Iran how can we give them a portion of the profits? As you know, the Iran Government has nationalised its oil industry and the law provides that it should be managed by the government itself and further it rigidly forbids the granting of any new concession. It seems to be that instead of writing: "The bank's services would be performed on a non-profit basis," it would have been better to ask for a certain commission in lieu of the services rendered and not to have proposed such a plan. With reference to the phrase "The remainder to be held by the bank in trust" it should be explained why should the bank hold in trust this remainder?

(8) The phrase "Other substantial points, would of course, also be covered" is rather ambiguous; for the Iran Govern-

ment is at a loss to express its views on "Other substantial points" which are unknown to us.

As I have told you in person the international bank should keep this point in mind that any intervention on its part in the exploitation of the oil resources of Iran should be regarded as a delegation of authority from the Iran Government, in other words the bank should act on behalf of the Iran Government and carry out its orders and give its accounts to the said government. Any expenses which have been made for the operation of the industry should be debited to the account with a fair interest plus a commission for its services. It is impossible for the Iran Government to accept any other undertakings with the bank. In case you are in agreement with the foregoing, your representatives are welcome to go and visit the oil regions otherwise there is no need to their taking the trouble.

Yours sincerely,

DR. MOHAMMED MUSADDIQ.

EP 1051/12

No. 2

ALLEGED INTERFERENCE IN PERSIAN AFFAIRS BY BRITISH GOVERNMENT OFFICIALS

(1)

The Persian Minister for Foreign Affairs to Sir F. Shepherd

(Note No. 6321)

Tehran,

January 9, 1952.

M. l'Ambassadeur,
I have the honour to inform your Excellency that according to reports received by the Government the definite activities and interference of British Government officials in Persia have recently been intensified. My Government is not prepared to tolerate any more such undesirable behaviour which is in defiance of the principles of friendship

and of current international regulations and strongly protests against it. I must point out that unless the officials of your Government in Persia change their conduct my Government will be obliged to adopt severe decisions to put an end to this undesirable state of affairs.

I avail, &c.

BAQIR KAZIMI.

(2)

Sir F. Shepherd to the Persian Ministry for Foreign Affairs

Tehran,

January 11, 1952.

(No. 3)

His Majesty's Embassy present their compliments to the Imperial Ministry of Foreign Affairs and return herewith his Excellency Mr. Kazimi's note No. 6321 of the 9th January, 1952.

His Majesty's Embassy are unable to take cognizance of this communication which, apart from the terms in which it is couched, was, contrary to diplomatic courtesy, published on the wireless and given to selected foreign press correspondents at the same time as it was delivered by messenger to the doorkeeper at the embassy.

PERSIAN DEMAND FOR THE CLOSURE OF BRITISH CONSULATES

The Persian Minister for Foreign Affairs to Sir F. Shepherd

(No. 63661) *Tehran,*
M. l'Ambassadeur, *January 12, 1952.*

After the despatch of letter No. 6231 of 18th Dai 1330 (9th January, 1952) my Government was expecting that the instances of activity and clear interference by British officials in the internal affairs of Persia would be investigated by His Majesty's Embassy. Unfortunately the authorities of the embassy did not wish to acquaint themselves with this fact and contented themselves with returning the above-mentioned letter.

The Imperial Persian Government, which can no more tolerate the undesirable behaviour of British Government officials in interfering in the internal affairs of Persia, considers itself right and bound, for the maintenance of the country's highest interests to demand the closure of all British Consular Representations in Persia for following reasons.

The Consular officers of the British Government in different parts of Persia have departed from their primary consular duty and are interfering in the internal affairs of Persia in such a manner that it disturbs the independence of this country and as the maintenance of the independence of the country is the first duty of any Government an end must inevitably be put to this undesirable situation.

2. Until India and Pakistan obtained their independence owing to the great num-

ber of their nationals in Persia and their travelling and transit through Persia as well as to the commercial relations between Persia, India and Pakistan which were to be dealt with by British Consular officers, there was a reason for the existence of a number of consulates, but at this moment when the Governments of India and Pakistan have been established and they can have consular representatives at the necessary places in Persia the number of British nationals in Persia does not necessitate Consular representation of the British Government in most parts of Persia.

3. As Consular transactions and relations between Governments are based on reciprocity and as the Persian Government notwithstanding the existence of a great number of Persians in England, has no consular representatives in any part of that country, it is necessary on the basis of reciprocity, that the British Government should also have no consular representatives in any part of Persia.

In view of the above considerations the Imperial Government seriously and emphatically demands of His Majesty's Government that arrangements be made for all British Consulates-General, Consulates and Vice-Consulates without exception to be closed in all parts of Persia by 30th Dai, 1330 (21st January, 1952).

I avail, &c.

BAQIR KAZIMI.

NOTE FROM PERSIAN GOVERNMENT ANNOUNCING THE INCOMPETENCE OF THE INTERNATIONAL COURT OF JUSTICE TO DEAL WITH THE QUESTION OF THE NATIONALISATION OF THE PERSIAN OIL INDUSTRY

The Persian Minister for Foreign Affairs to His Majesty's Ambassador

(No. 6362) *Tehran,*
M. l'Ambassadeur, *January 12, 1952.*

In reply to letter dated 30th Azar, 1330 (22nd December, 1951), addressed to his Excellency Dr. Musaddiq, the Prime Minister, by Mr. Middleton, Chargé d'Affaires of His Majesty's Embassy, I have

to state, under instructions from Prime Minister, that—

Firstly, as has already been pointed out on repeated occasions, the Persian Government has no issue with His Majesty's Government over the nationalisation of the oil industry, and that the nationalisation of

the said industry throughout the country is an internal matter relating solely to national sovereignty. The Imperial Persian Government have consistently announced the incompetence of the International Court of Justice to intervene in any way in this matter and, therefore, the question is not one to be regarded as being *sub judice*.

Secondly, whereas His Majesty's Government have in a letter, No. 100 from the embassy dated 11th Murdad (3rd August, 1951), officially recognised on their own behalf and on behalf of the former oil company the nationalisation of the oil industry throughout Persia, including all exploration,

extraction and exploitation, the Persian Government note with great surprise the latter part of the letter of 30th Azar, 1330 (22nd December, 1951) stating that "His Majesty's Government cannot agree to the purchase of Persian oil by British nationals and do not recognise the Persian Government's legal right to dispose of the oil," and add that the Persian Government considers itself legally entitled and authorised to take any steps in connexion with the country's natural resources and the nationalised oil industries.

I avail, &c.

BAQIR KAZIMI.

CESSATION OF MILITARY ASSISTANCE TO PERSIA UNDER THE MUTUAL AID ACT

Sir F. Shepherd to Mr. Eden. (Received 16th January)

(No. 45) *Tehran,*
(Telegraphic) *January 16, 1952.*

American aid to Persia.

I learn from the United States Embassy that the State Department have ruled that the exchange of notes between Musaddiq and the United States Ambassador (Baker's letter to Saull of 7th January) is not adequate under the terms of the Mutual Aid Act and does not fulfil the intent of Congress. American military assistance has, therefore, ceased from 8th January, though shipments [groups undecypherable]

before that date will be allowed to come forward.

2. No publicity is being given to these facts in Tehran, but they are known to the Shah, the Minister of War and senior Persian military officers. The decision to stop military supplies has evidently caused deep concern amongst Persian officers and General Yazdan Panah was talking of resigning, but has not yet done so.

3. My military attaché will be sending assessment to War Office.

HIS MAJESTY'S GOVERNMENT'S PROTEST AGAINST THE PERSIAN GOVERNMENT'S DEMAND FOR THE CLOSURE OF ALL BRITISH CONSULAR OFFICES

Sir F. Shepherd to the Imperial Minister for Foreign Affairs

(No. 5) *Tehran,*
M. le Ministre, *January 16, 1952.*

His Majesty's Government in the United Kingdom have received with the utmost astonishment the communication addressed by your Excellency to me on the 12th January requiring His Majesty's Government to close all British consular offices in Persia by the 21st January. They are the more astonished in that the Persian Government, contrary to the courtesies usually

observed between nations, saw fit to publish the note before it could reach its destination.

The Persian Government attempt to justify their demand by an accusation that British consular officers in Persia have interfered in Persian internal affairs in a way which threatens the independence of that country. The Persian Government advance no evidence or even detailed allegations to support this vague general accusation, still less have His Majesty's Government been

given that opportunity of replying to and refuting detailed charges which both international practice and courtesy require to be given. His Majesty's Government are confident that British consular officers in Persia are not interfering, and have not interfered, in Persian internal affairs in the way alleged in the Persian note or in any other way.

Article IX of the treaty signed in Paris on the 4th March, 1857, between the United Kingdom and Persia provides that "In the establishment and recognition of consuls-general, consuls, vice-consuls and consular agents each of the high contracting parties shall be placed in the dominions of the other on the footing of the most favoured nation." Under this provision the United Kingdom is entitled to maintain consulates in Persia in any place where any other Power maintains a consulate, and Persia is entitled to maintain consulates in those place in the United Kingdom where other Powers maintain consulates. In consequence it is a clear breach of treaty for the Persian Government to refuse to allow the maintenance of British consulates in any place in Persia where any other Power maintains a consulate.

As for the observation that the Persian Government maintains no consulate in the United Kingdom, the answer is that Persia is free to make such use of her most-favoured-nation rights under the above-mentioned treaty as she chooses and His

Majesty's Government are not aware that they have refused any request for the establishment of Persian consulates in the United Kingdom in accordance with those rights.

Similarly, it is for His Majesty's Government to judge, in the light of their legitimate interests now and in the future, to what extent they wish to exercise their most-favoured-nation rights with regard to the establishment of British consulates in Persian territory.

The Persian demand is thus a breach of treaty and a violation of international practice and of all canons of conduct between State and State and His Majesty's Government accordingly protest against it formally and emphatically.

In conclusion His Majesty's Government wish to point out that the action of the Persian Government in making the present demand in the form of an ultimatum with its attendant publicity is not consistent with the development of friendly relations between the United Kingdom and Persia which it is the aim of His Majesty's Government to promote and that the responsibility for the consequences thereof must rest entirely with the Persian Government. In the meantime they reserve their full rights under international law and under the treaty provisions in force between the two countries.

I avail, &c.

F. M. SHEPHERD.

EP 1051/15

No. 7

REPORT ON AN AUDIENCE WITH THE SHAH

Sir F. Shepherd to Mr. Eden. (Received January 24)

(No. 24. Confidential) *Tehran,*
Sir, *January 17, 1952.*

With reference to my telegram No. 53 of the 16th January, I have the honour to report that I had an audience with the Shah on the 15th January. In the course of the conversation I made the points included in your telegram No. 35. The Shah has been unwell for some time and is evidently concerned about his health. He tends to be hypochondriac and is not clear how far his indisposition is due to worries about the fate of the country.

2. We went over practically the whole ground of the oil dispute including the action that might possibly have been taken

before the murder of Mr. Razmara. With regard to the period of Dr. Musaddiq's premiership the only point where the Shah seemed to think that some progress might have been made was after the "Ala piece of paper." I pointed out that we had all along tried to find a practical issue for this matter and explained the overriding importance of having a completely foreign organisation for the production and management of the oil business in Persia in order to ensure the placing of the necessary orders and their execution. I also enlarged on the need for the Persian oil industry to compete with other great oil industries. This included research which would result

in the Persian produce being as much in the forefront as those of other producers. I pointed out that Dr. Musaddiq in spite of the arguments used on him by Dr. Grady and myself, Messrs. Harriman and Stokes, and the Americans recently, had never grasped this essential point.

3. In the course of the conversation I gave the Shah at his request an exposition of my views about the present unrest in the Middle East. I pointed out it was in my opinion a delayed reaction to the sense of freedom which had been brought about in the main by British action. The Shah wanted to know why Persians were so anti-foreign and I explained that I thought psychologically the Persians were conscious of the greatness of their former empire and irritated that having fallen behind they now needed the help of foreigners to come abreast of modern developments. The Chinese were also a great and cultured people who had had a powerful empire. After this had collapsed they too had become anti-foreign. I thought that the Western Powers had taken the right line in trying to assist Persia in launching the Seven-Year Plan and no doubt something of the sort would be tried again. I said that if the Persian problem were treated in isolation it would be wrong of the Western Powers to try to hurry the development of the country. The Persians had their own way of doing things and provided that the rate of development suitable to their temperament was kept up there would be no danger of communism. This picture, however, was incomplete. In the first place the Russians were trying to hurry on communism and the West was therefore trying to hurry up the defence against it. In the second place the institution of reforms depended on the continuation of the profits from the oil industry. People were becoming more and more aware of their own poverty and therefore more and more dependent on efforts to relieve it. For this reason it was more important that the oil industry should function in an effective manner so that the country could benefit from the profits rather than that there should be the gratification of having nationalised it. This was one of the reasons why in my view Dr. Musaddiq was wrong. In general he was encouraging the

isolation of Persia and not its development.

4. In the course of conversation about the closing of the consulates the Shah wanted to know why his father had been got rid of by the allies. I replied that it was due to his disinclination to exclude Germans who were preparing for the participation of Persia in the German drive towards the Middle East which started in Crete and which they had intended to push via Cyprus, Syria and Iraq. The Shah said that the allies were quite mistaken in this; nobody knew better than himself that his father was not supporting the Germans.

5. In connexion with the consulates I said that quite apart from their more normal activities they had for many years been a source of advice and counsel to local governments. They did not intervene in internal affairs but their advice was available when required. It had been very valuable, and would still be so. If British influence were removed from the provinces what was there left? The Americans were certainly not yet established and the field would be left open to the Russians. This was an additional reason why Dr. Musaddiq's move was a dangerous one. It was of course the right of any country to discard its best friends but they must not complain if the consequences were unfortunate.

6. The Shah wondered whether this latest move was not due more to Mr. Kazimi than to Dr. Musaddiq. He himself had not seen Dr. Musaddiq for a long time, neither had he seen the representatives of the International Bank. I got the impression that the Shah was merely a spectator and was very little if at all active to guide affairs, he doubted whether the opposition was very strong and said that it had no cohesion. Qavam he thought had come to the conclusion that he would not be able to do anything and Sayyid Zia was certainly out of the running. I do not think that the Shah is likely to do anything in the least definite about guiding the present situation.

7. I am sending a copy of this despatch to His Majesty's Ambassador at Washington and to the Head of the British Middle East Office at Cairo.

I have, &c.

F. M. SHEPHERD.

NOTE FROM THE PERSIAN GOVERNMENT TO HIS MAJESTY'S AMBASSADOR DEMANDING THE CLOSURE OF BRITISH CONSULAR OFFICES

(Note No. 6507)

Tehran,

M. l'Ambassadeur, January 20, 1952.

I beg to acknowledge receipt of your Excellency's letter No. 5 of 25th Dai 1330 (16th January, 1952) which you sent in reply to my letter No. 63661 of 21st Dai (12th January).

Firstly, since you have deemed it fit again to state that my note was published before it could reach its destination I wish to point out that the note was handed to the embassy's secretary at 9 p.m. on Saturday, the 21st Dai (12th January) and that at 7 a.m. on Sunday, the 22nd Dai (13th January), i.e., ten hours after its delivery it was published on the wireless and then in the morning press. Accordingly nothing was done contrary to the courtesies usually observed between nations.

Secondly, as to the statement made in your letter that the Persian Government advance no evidence or even detailed allegations to support their vague and general accusation and have given no opportunity of replying to and refuting detailed charges, and as to the subsequent assertion that British Consular officers in Persia are not interfering and have not interfered in Persian internal affairs I feel myself bound to point out that according to information and reports received from the competent authorities it was definitely known by the Government that British Consular officers were making intrigues and plots against the Government in the provinces and particularly among the tribes in Persia and were thus acting contrary to their consular duties. Accordingly, in my letter of 18th Dai 1330 (9th January, 1952), No. 6321, I took the occasion to call your Excellency's attention to the fact in order that you might take the necessary steps to stop such intrigues. The authorities at the embassy not only took no steps to stop these intrigues but decided to return my letter, contrary to usual international principles, and the Persian Government felt itself obliged, for the protection of its security and independence, to request the embassy to close down all British Consular offices which had acted contrary to their duties, by the 30th Dai (21st January). Of course, if the Persian Government should deem it necessary, for the information of the Persian nation and elucidation of public opinion in the world,

to publish the relevant documents and reports bearing on the interferences made by British Consular officers, such an action would be taken in due course, and for the time being I send you herewith as examples six photostats and two copies of documents.

Thirdly, as regards your reference to Article 9 of the 1857 Treaty, I do not wish to say anything regarding this treaty which was imposed on the Persian Government and people ninety-five years ago as a result of deplorable events and of the fact that such a treaty which was signed a century ago, when circumstances were different from those prevailing now, is out of date now, following the dynamic evolution having taken place in the world during the last century, the formation of the former League of Nations, and the present United Nations Organisation, collective treaties between Governments, as well as other important changes in the world, and to state that most of the articles of the treaty are no longer applicable. I wish to point out, however, that reference to Article 9 thereof is out of place inasmuch as in accordance with indisputable international principles the defence of a country's security and independence comes before everything else. Since the Persian Government believes that the definite and constant interference of British Consular officers in the internal affairs of Persia during the period of approximately one century has been and is of such a nature as to damage the prestige and honour and even the independence of the ancient nation of Persia it is the natural duty of every Government, before everything else to provide the means to prevent interference by others. The action which my Government has taken in this connexion represents the desire and the will of the Persian nation. Evidently the same measure shall be applied in respect of the Consular officers of any other country attempting, contrary to their Consular duties, to interfere in Persia's internal affairs. The Persian Government will make in this respect no discrimination between the Governments which could be represented as a breach of treaty. Moreover, there is no question of referring to the most-favoured-nation condition contained in Article 9 of the 1857 Treaty. The condition

therein applies to the Persian Government's identical conduct towards the Consuls of all Governments. But it is for the Persian Government to determine whether any Government can maintain a Consulate in any place and whether the circumstances of that place and the actual requirements of the applying Government would permit it. Naturally one and the same attitude is taken in the application of the most-favoured-nation principle in respect of all friendly Governments. But if Consuls act contrary to their duties the Persian Government can by no means connive at their continued illegal activities and considers it is entitled and duty bound, under the undeniable principles of international rights, to require their closure.

Fourthly, as regards the maintenance of Persian Consulates in the United Kingdom I beg to call your Excellency's attention to the fact that although Persian nationals in England number much more than British nationals in Persia the Imperial Government has not found it necessary to establish Consulates in British provinces. Still less, owing to the small number of British nationals residing in Persia and the independence acquired by India and Pakistan, do I see any need for the continued existence of British Consulates in Persia, particularly when they should act contrary to their fundamental consular duties and should interfere in internal affairs. Whereas the

consent of both parties must be present in cases of such nature and as the Persian Government and nation do not consent to the continued existence of the British Government's consular offices in Persia the decision for their closure must inevitably be put into effect by the 30th Dai (21st January). The protest made by your Excellency is not therefore justified and this measure constitutes no breach of treaty nor a violation of international practice.

Fifthly, as to the reference made in the last part of the letter to development of friendly relations between the two countries which it is the aim of the British Government to promote, I wish to point out to your Excellency that it is also the aim and object of the Imperial Government to continue and promote friendly relations between Persia and England, and it believes that with the closure of the centres from which interference is made in Persia's internal affairs, with the abandonment of old policies and the adoption of a new method of friendship and cordiality based on reciprocal respect and the mutual observation of the rights of both parties in accordance with the established principles ruling in the world to-day, it will be more possible to ensure the promotion of amity and friendship between the two nations.

I avail, &c.

BAQIR KAZIMI.

PERSIAN INSISTENCE ON THE CLOSURE OF BRITISH CONSULATES

Sir F. Shepherd to Mr. Eden. (Received 24th January)

(No. 29. Confidential)

Tehran,

January 21, 1952.

I have the honour, with reference to my telegram No. 46 of the 16th January, to report that I went to see the Persian Minister for Foreign Affairs at 11 o'clock on that day.

2. Before delivering the note contained in your telegram No. 37 of the 14th January I said that I wished to ask Mr. Kazimi why he had said nothing about this development when I visited him on Monday, the 7th January. It seemed to me astonishing that he had not mentioned so grave a matter but had chosen to deliver what was really an extraordinary note forty-eight

hours later without warning and without specifying what were the charges which he was making. Mr. Kazimi said that I had indicated that I had come to make a formal call on him on my return from absence abroad and he therefore did not think that I should wish him to bring up other matters on that occasion. I said that this was a very grave matter and, since I had paid a call on him, surely he should have taken advantage of my visit to mention it. As it was, the note had been couched in such strange terms that my Government had had no option but to return it *à fin de non recevoir*. Mr. Kazimi said that his Government had greatly regretted our action in doing this,

which they were unable to understand and which they considered contrary to ordinary diplomatic practice. They had expected the embassy to ask for details of the complaints which the Persian Government wished to make. I replied that I could not conceive it to be my duty to request the Persian Government to make accusations against my staff. If they had accusations it was the business of the Government to bring them forward and certainly not my business to ask for them. Had Mr. Kazimi any reason for thinking that if he brought accusations forward they would not be examined by my Government? Mr. Kazimi then repeated that he had expected the embassy to ask for particulars, to which I replied that if he had given particulars we should certainly have examined them. We were still prepared to do this provided that the withdrawal of consular officers was suspended while investigation was taking place. I understood Mr. Kazimi to refuse this and I therefore repeated the offer. He again refused and I asked whether I was to understand that the Persian Government proposed to take the action of closing the consulates whether or not complaints were found to be justified and without giving the British Government any opportunity of learning what the complaints were or of refuting them. This was to act as prosecutor and judge at the same time. Mr. Kazimi demurred, saying that they were convinced that their case was correct and confirmed that he could not consider suspending the request for withdrawal since this had been decided on at a Cabinet meeting.

3. I then read him my Note No. 5 (copies of which were enclosed in my despatch No. 23 of the 17th January) and called his attention to the fact that we were invoking the treaty of 1857. Mr. Kazimi did not remark upon this and said he would submit the note to the Council of Ministers and let me have a reply. I took this occasion to repeat my former offer to examine complaints provided that the request for withdrawal was held in suspense, and Mr. Kazimi said he would put this point to the Council of Ministers.

4. I then said that I greatly regretted the distressing state of affairs which now existed in Persia. So far as the oil question was concerned, while reserving our legal rights, we had all along tried to find a practical outcome. The Persian Government, however, had appeared to act in a manner detrimental to Anglo-Persian relations and I had frequently expressed my apprehension at the results of this attitude. It was, of course, the sovereign right of the Persian Government to discard their old friends if they wished to do so but they must not complain if the consequences were unfortunate as they had already turned out to be.

5. Mr. Kazimi replied by saying that the Persian Government laid great stress on friendship with Great Britain but they were distressed that we had taken action to prevent the success of the nationalisation of the oil industry. We had not only obstructed it but had induced other countries to refrain from buying Persian oil and had in fact done everything we could detrimental to the interests of Persia. I said that the crucial point had always been the need for an integrated foreign organisation to enable the oil industry to compete with others. The Persian Government had never been willing to admit this in spite of the arguments of the Americans and ourselves. The Persians had put the cart before the horse and had made efficient functioning of the oil industry impossible. They had refused to allow tanker captains even to say that they had any legal rights and had thus caused the flow of oil to stop. I could not accept the implication that the economic and other troubles of the country were in any way the fault of Great Britain. When I left Mr. Kazimi said that the Persian Government still attached great importance to friendship with Great Britain and would always do so. I said that I was glad to hear this but we must judge by actions.

6. I am sending copies of this despatch to His Majesty's Ambassador at Washington and to head of British Middle East Office at Cairo.

I have, &c.

F. M. SHEPHERD.

No. 10

PERSIAN REFUSAL OF AGRÉMENT IN RESPECT OF MR. R. M. HANKEY

Sir F. Shepherd to Mr. Eden. (Received 22nd January)

(No. 93)
(Telegraphic)

*Tehran,
January 22, 1952.*

My telegram No. 90: New ambassador's agrément.

Mr. Hankey's name and particulars of his career have been published in the press during the last few days and one paper this morning predicted that he would not be accepted. Immediately after the counsellor's interview with the Permanent Under-Secretary this morning the press was informed by the Persians that agrément had been refused and this was broadcast on the Tehran radio at 1430 hours but Hankey's name seems not to have been mentioned. I am informed that the radio did say that no one who had served under Bullard would be acceptable. When I saw the Minister for Foreign Affairs on the 7th January I particularly impressed on him that the request was confidential.

2. It will be remembered that the Persian Government had previously stated that they would not accept consular officers who had served in colonial territories and that this applied to former members of the Indian Civil Service. The ostensible objecting condition quoted in my telegram under reference appears to be to restart relations with Great Britain on a clean sheet free from taint of connexions with the colonies or with past Anglo-Persian relations, but recent experience suggests that the Persians are likely to try to limit staff and scope of this embassy by refusing visas to members of the embassy who go on leave and who speak the language and preventing the arrival of anyone else with that qualification.

3. The Ministry officials evaded the question by the counsellor whether the Shah had

been consulted about the refusal and it seems quite possible that he has been ignored. If I were to approach him he would no doubt merely say that he could not go against the advice of his Minister's legal advisers in this matter.

4. When I first came here I was at pains to impress on the Persian Government and the Shah, in accordance with Mr. Bevin's policy, that although our advice was at the disposal of the Persians we had no intention of intervening in the internal affairs of the country: we should, however, exercise our legitimate rights of protection of British interests. It was only with the advent of the Musaddiq Government that the Persians adopted an unfriendly attitude though no complaints, except that regarding Major Capper, have ever been received until the note of the 9th January. It will be remembered, however, that the signature of the Civil Air Agreement was suddenly cancelled on the 18th June, 1951, and since then numerous notes from this embassy have remained unanswered. Doubtless the Musaddiq Government (or Musaddiq, Kazemi and Kasurci, who exercise power) are convinced that our influence hitherto has been [group undecypherable] and harmful but their conduct has not been consistent with their professed desire for good relations.

5. If we were to accept the grounds given to Mr. Middleton for refusing Mr. Hankey's agrément we should be tacitly acknowledging that the Persian Government's complaints about our past policy were justified and we can scarcely condone repeated and affirmed discourtesies of 1952. I see no other course, therefore, than to refrain from appointing an ambassador for the present.

EP 1532/34

No. 11

ASSURANCE BY THE ITALIAN GOVERNMENT THAT WHILST PRESENT ARRANGEMENTS WITH BRITISH COMPANIES CONTINUED THEY WOULD NOT GIVE PERMITS FOR THE IMPORT OF PERSIAN OIL

(No. 41. Confidential)
(Telegraphic)

*Rome,
January 25, 1952.*

Persian Oil.
In conversation with Sir Roger Makins this morning Grazi repeated assurances

that new trade agreement (which has not yet been signed) made no mention of petroleum. He added that, although Italian Government could not control activities of independent adventurers, they would do

their best to discourage them. In particular, they had not given and would not give any permits for the import of Persian oil. As long as present supply arrangements with

British companies continued, the Italian Government had no interest in seeking alternative sources of supply.

EP 1015/29

No. 12

PERSIA: INTERNAL CONDITIONS AND THE PROSPECT FOR THE FUTURE

Sir F. Shepherd to Mr. Eden. (Received 30th January)

(No. 33. Confidential) *Tehran,*
Sir, *25th January, 1952.*

When I came to Persia in March 1950 the country was suffering from the aftermath of war and of the Russian attempt at creating an independent democratic republic in Azerbaijan. Military occupation by the three Allied Powers had had its effect in creating a serious measure of inflation, and national pride had been considerably bruised by the armed irruption into Persian life of military Powers concerned in a quarrel which Persians considered to be little of their business.

2. There were many countries in the world which had been left in a worse post-war state than Persia, and which had devoted themselves to reconstruction out of their own resources and with the help of others, notably the United States. The Persians, however, showed a remarkable deficiency in initiative and energy in attaining their own recovery and in taking the necessary measures to apply what plans were made. They had been promised economic help by the Allies and were annoyed that this help was not forthcoming promptly and in large quantities. Nevertheless, an attempt was made to create the preliminary conditions for the economic reconstruction of the country. A grandiose Seven-Year Plan produced under the auspices of the American concern Overseas Consultants Incorporated was drawn up, and a team of American and British experts was allotted to advise on its development. A number of surveys were made by the International Bank and the Export-Import Bank with a view to finding what they called "bankable" projects, the results of which would be beneficial to the country in general. Finally a Supplemental Agreement to the oil concession of 1933 was negotiated which would have provided very large sums out of oil revenue for the use of the Seven-Year Plan directorate.

3. All these projects came to nothing. The Seven-Year Plan organisation, after

battling for some time against inefficiency, corruption and shortage of funds was practically abandoned and the Overseas Consultants team left the country. The banks found that the Persian idea of a loan was the provision of very large sums of money without security and without any conditions or supervision in regard to their application. Opposition arose to the Supplemental Oil Agreement, the funds of which thus did not become available.

4. Nevertheless the advent to power as Prime Minister of the former Chief of Staff General Razmara in June 1950 marked the beginning of a period of endeavour and hope. In the spring of 1950 there was widespread discontent and depression in Persia. Relations with Russia were hostile, unemployment was high, harvests had been bad, and there was a feeling almost amounting to despair. Although the appointment of General Razmara was unpopular because he was a soldier and because his premiership was forced on the Parliament by the Shah, he set himself with energy to try to mitigate the administrative chaos, deal with corruption, and secure the passage of the Supplemental Oil Agreement. He was assisted by a change of attitude on the part of the Russians who in August 1950 proposed commercial negotiations, and he negotiated barter agreements with several countries which had the effect of providing assured outlets for a large proportion of Persia's exportable produce. Nature in addition came to his assistance by providing good crops. In spite of the failure of the banks to place their capital in Persia the prospect of additional revenues from oil provided hope that the Seven-Year Plan could be proceeded with.

5. Unfortunately General Razmara was no politician and was unable to put down corruption and unwilling to use it to achieve his ends, and incapable of dealing adequately with self-seeking and hostile Parliament. The delays in ratifying the Supplemental Oil

Agreement left him without the necessary funds for the institution of reforms and his administration became progressively weaker in a parliamentary sense. It seemed not improbable that matters might come to a pass where General Razmara's determination, and the inefficiency and corruption of the Majlis, would lead to a modified form of dictatorship produced by a dissolution of the Majlis by the Shah and a certain period of rule by decree which could only have been beneficial. There was accordingly ground for considerable hope for the future when unfortunately General Razmara was murdered by a religious fanatic on 7th March, 1951.

6. Up to this period relations between Persia and Great Britain had been excellent. The Supplemental Oil Agreement aroused little enthusiasm, but the Shah and General Razmara were convinced that it would be best for the country to get it ratified so that prompt measures could be taken for the betterment of the condition of the people. There was, however, a current of opinion in Persia which considered that the agreement did not "recover the rights of Iran." The precise significance of this term was never defined but it certainly represented a conviction that the Oil Company had taken exaggerated profits from the country and that the disproportionate importance of the oil industry in the country's economy entitled the Persian Government and people to have some say in its conduct. This feeling was connected with the general development in the Middle East of a feeling that the countries composing it were becoming to a greater extent than ever before competent to conduct their own affairs without the tutelage of other Powers, especially Britain, from which they have hitherto gained such great advantage.

7. In Persia this feeling, admirable in itself, was utilised by a small political party calling itself the National Front, which was able to gain support for a policy based on hostility to the foreigner and especially to the British, rather than on constructive attempts to improve the lot of the people. The National Front were able to concentrate the natural Persian xenophobia; a desire for greater benefits from the oil industry; and the movement for greater self-expression in their opposition to the oil agreement. The party were well served in that they were able to exert a well conducted propaganda and to organise intimidation on a considerable scale. Opposition to them was handicapped not only by the fundamental lack of enthu-

siasm for the oil agreement but by the difficulty of finding replies to the patriotic slogans of the National Front. It was thus that by the time of the murder of Razmara public opinion was prepared to accept accusations against him of his being prepared to sell his country to the foreigner.

8. The accession to power of the leader of the National Front, Dr. Musaddiq, on 1st May, 1951, meant a complete change in Persian policy. Not only did the new Government oppose both the Supplemental Agreement and any new agreement on a 50-50 basis such as had been made by the American oil companies in Saudi Arabia, but they mingled with their demand for higher oil revenues an insistence on the nationalisation of the oil industry and the elimination of undue foreign influence in Persia. The history of Dr. Musaddiq's fight for nationalisation is well known and need not be recounted here. He and his entourage showed great determination and considerable skill in making ever more far-reaching demands and in securing for them a large measure of popular support. It appears that Dr. Musaddiq really believed that by the mere passage of a hasty nationalisation law the oil industry would transfer itself without friction into the hands of the Persian Government, and all the profits hitherto made by the Anglo-Iranian Oil Company would accrue to Persia. It was quite impossible to convince him that this was not a practical expectation, but he persisted with great obstinacy in attempting nationalisation along the lines laid down by himself with the inevitable result that the oil industry was brought to a standstill and British technicians left Persia. Far from realising that these developments were due in any way to his own miscalculations, Dr. Musaddiq took them to mean that Great Britain and to a lesser extent the United States were deliberately depriving Persia of the fruits of nationalisation in the interests of the profits of the Anglo-Iranian Oil Company and of the international oil companies in general. No amount of reasoning or explanation could make any impression on him so that his original xenophobia became intensified. He thus came more and more under the influence of his especially xenophobic Foreign Minister, Mr. Kazimi and the fanatical Mullah Kashani. Fortified also by his belief that Britain had for many years interfered in a disastrous manner in Persian affairs he set out to eliminate so far as possible British influence from Persia.

9. The disastrous practical results of the Prime Minister's method of nationalisation together with the continued worsening of Anglo-Persian relations had greatly perturbed the more respectable Persian political circles as well as the Shah himself. There was, however, no cohesion in the opposition, and prominent politicians hesitated to attack Dr. Musaddiq on the oil issue upon which popular opinion had been aroused. Nevertheless, what was being described both in Persia and abroad as a great national movement was in the main founded on propaganda which had not taken deep root among the population, and a change of Government could have been expected easily to reconcile public opinion with a reasonable solution of the oil problem and a re-establishment of good relations with Great Britain. Dr. Musaddiq was, however, able to make use of such events as the reference of the oil dispute to the Security Council and his visit to Egypt to consolidate his popularity. Although opposition to him increased it remained unco-ordinated, and merely had the effect of intensifying public excitement and inducing a tense spirit which fed the flames of nationalism. It was thus that the Persian Government's recent demand for the closing of British Consulates in Persia could be claimed as a victory of liberation of the Persian people from the shackles of British influence.

10. I am thus leaving Persia at a time when Anglo-Persian relations are worse than for very many years. Nor are they likely to improve so long as the present trinity of anachronistic xenophobes remains in power. Of these Kazimi is a strong and narrow-minded Nationalist with a veneer of Western pretensions, whose conviction that the Persians can do anything as well as anybody else makes him the bitter opponent of British influence. Kashani has all the ignorance and rigidity of the professional Mahomedan priest opposed to any development that would weaken the traditional and narrow structure of Islam. Musaddiq is an *exalté* who is fired with enthusiasm for fighting in 1952 foreign political conditions which existed in 1900 and have long since sunk beneath the waves of progress. These men are all that Persia can produce to lead

what might possibly have become a movement for genuine national regeneration. Even with this inappropriate leadership, the movement might be beneficial were it inspired by any constructive talent. But after promising that the nationalisation of the oil industry would immediately bring in some £300,000 a day of extra income to Persia, Musaddiq is now reduced to demanding sacrifices from the people as the price of the elimination of British influence and the assertion of Persia's political independence. This demand has been duly endorsed by the Government press, but has not in fact even yet met with the enthusiasm that should mark a powerful national movement. In the provinces especially there is very little sign of inspiration. The population of Persia in general exists at such a low level of subsistence that it seems scarcely possible for them to have anything to sacrifice except hope, a commodity which is itself in short supply. Musaddiq and his partners will go on attacking British and perhaps other foreign interests in the unjustifiable expectation that the Persians will somehow suddenly show themselves patriotic, capable and incorruptible, and eventually he will, one hopes, be driven from office and replaced by a Government with a modicum of common sense and sufficient courage to apply it. However much one may wish to find in the present movement an inspired national regeneration, one is forced continually back upon the prosaic conclusion that the energy and directing force for such a regeneration cannot be expected to arise until the population has been provided with the necessary physical and mental equipment resulting from improved health, production and communications. I have during my tour of duty here taken the line that the first need of Persia is improvement of the material lot of the people: unless this is done first there will be nothing like enough energy for a spiritual renaissance.

11. I am sending a copy of this despatch to His Majesty's Ambassador at Washington, and to the Head of the British Middle East Office at Cairo.

I have, &c.

F. M. SHEPHERD.

EP 1051/17

No. 13

HIS MAJESTY'S AMBASSADOR'S LEAVE-TAKING VISIT TO DR. MUSADDIQ

Sir F. Shepherd to Mr. Eden. (Received January 30)

(No. 35. Confidential)

Tehran,

January 27, 1952.

Sir,
I called on the Persian Prime Minister this morning in order to take my leave. He honoured the occasion by having put on his clothes and although my intention had been to make this a purely formal visit he requested me to transmit a message to the British Government. He said that the Persian Government wished to avoid any differences with the British Government. This was their policy and they attach great importance to it. He wished to say this however; if the British Government considered their attitude with regard to the oil question in the past was of mutual benefit to the two countries then no doubt they would continue to follow the same policy. If, however, they felt that this policy had been detrimental to the interests of the two countries then it was open to the British Government to alter its direction.

2. Dr. Musaddiq was evidently unwilling to be more explicit. His reference to the past apparently referred to the development of the oil question from the very beginning and not merely to development since nationalisation. He said that he was willing to discuss the oil question afresh but he did not indicate that he had any new ideas as to a basis for discussion. I referred to the International Bank proposals and Dr. Musaddiq seemed rather to object to the intrusion of the bank into this affair. The principles embodied in the letter which the bank's representatives had given him on their arrival in Tehran were unacceptable. In particular they did not refer to the

question of price and he himself was of the opinion that if the question of price could be settled then there would be no need of the intervention of the International Bank.

3. I undertook to transmit this message but pointed out that we had tried many ways of reconciling Persian aspirations in this matter with the practical and efficient conduct of the oil industry but had hitherto had no success with his Excellency's Government.

4. As regards Dr. Musaddiq's statement that he wished to avoid differences between our two countries I remarked that it was surprising that he should have aggravated an already difficult state of affairs by his action with regard to British Consulates and his publication of the rejection of my successor's *agrément*. I made as concise an effort as I could to explain that the documents which had accompanied his Government's note with regard to the consulates showed in fact that we had advanced with the times and had progressively eliminated such anomalies as the Residency at Bushire and the Capitulations.

5. I fear that in the course of this conversation I did not find any ground on which to base the hope that Dr. Musaddiq has in any degree changed his attitude or opinions.

6. I am sending copies of this despatch to His Majesty's Ambassador at Washington and to the Head, British Middle East Office, Cairo.

I have, &c.

F. M. SHEPHERD.

EP 1015/34

No. 14

CONVERSATION BETWEEN THE SECRETARY OF STATE AND THE FORMER PERSIAN AMBASSADOR

Situation in Persia

Mr. Eden to Mr. Middleton (Tehran)

(No. 25. Confidential)

Foreign Office,

7th February, 1952.

M. Soheily, the former Persian Ambassador, came to say good-bye to me this afternoon and we had some talk about conditions in his country. He was, of course,

critical and thought that his recall and that of the Persian Ambassadors in Rome and Delhi was really due to the knowledge of this in Tehran.

2. M. Soheily said that he had noted that the position in Egypt had improved and that

the King had taken courageous action. He thought that if a settlement were arrived at with Egypt, the position would be much improved for negotiations in Tehran. I had the impression that he did not think that we should get very far with Musaddiq. When I asked him what the alternatives were to the Persian Prime Minister, he said that he thought a strong man could emerge to lead the country, but maybe not yet. I asked him whether he was apprehensive of the Tudeh Party, and he replied that he was not; that it rose and fell in power and that he did not consider it to be a serious menace.

3. I said that one of the exasperating things in the Persian situation was that there was no reason for our not agreeing, only violent prejudices. I could not understand how the Persians could feel content when

Kuwait was receiving £60 millions a year in royalties, and I supposed that others of the Sheikdoms would be receiving very large sums too. In the meanwhile Persia got nothing. The Ambassador said he thought that the people were not happy about it at all, but there was nothing which they could do. The Government was a virtual dictatorship. But once it fell he believed that pent-up criticism would break loose. Meanwhile we could only hold firm to our position.

4. His Excellency is going to spend two months here and in France before he leaves for Tehran and said that if he had anything more to tell me he would come to see me before his final departure.

I am, &c.

ANTHONY EDEN.

EP 15314/34

No. 15

PROPOSALS BY THE INTERNATIONAL BANK FOR A SETTLEMENT OF THE OIL DISPUTE

Mr. W. Gifford to Mr. Eden. (Received February 12)

American Embassy, London.

My dear Anthony, *February 8, 1952.*

I have been asked to deliver the following message to you from the Secretary of State:—

"I appreciate your message of February 1. I know that we are equally anxious that the fullest possible advantage be taken of the opportunity which the International Bank has to put forth proposals to the Persian Government for settlement of the oil controversy, at least on an interim basis. I therefore concur fully with your view that the bank's representatives should proceed to Tehran as soon as possible to resume their discussions with Prime Minister Musaddiq.

"The International Bank provides the only presently apparent channel for accomplishing an agreement with the Persian Government, and I know that you will agree that it should be given the best possible chance of success. I am most concerned over the possibility that the bank delegation may proceed with a proposal which will not have sufficient flexibility. Representatives of the Department of State are having continuing discussions with Mr. Gass of the Anglo-Iranian Oil Company and members of the British Embassy in Washington, the details of which I am sure have been

brought to your attention. They have expressed to these British representatives the view that the International Bank delegation should be in a position to discuss possible alternatives to/or modifications in the proposal which the bank has already formulated and with which I know you are familiar.

"While other features of the bank's proposal appear to be sound and conducive to successful negotiation, it is believed that the position regarding management is likely to render the plan unacceptable to the Persians unless some modifications can be discussed. I can not help but believe that if the bank must inflexibly maintain its position on this question it will in all probability cease to be a useful instrument, and the likelihood of an early settlement will thus be reduced. This in turn would seriously aggravate the already critical situation in Persia and would increase the chances of the loss of that country to the free world.

"The Department's representatives have therefore suggested to their British colleagues that serious consideration be given to the possibility of permitting a greater degree of flexibility in the offer which the bank's representatives will place before Dr. Musaddiq. This would not necessarily involve a prior commitment of the British

Government, but the bank's negotiators should be in a position to explore all possibilities of a satisfactory solution. This should not only permit continued negotiations but should also prevent an aggravation of the situation such as would mark an outright rejection by Persia of the present proposal.

"It has also been suggested to the British representatives that, in the event no progress can be made on an interim solution, the bank be authorised to explore the possibility of a single purchase of the existing stocks at Abadan at a 50 per cent. discount. It should be possible to develop arrangements for such a purchase which would not

prejudice the Anglo-Iranian Oil Company's legal position. The purchase might provide the time necessary to develop another approach involving a long-term settlement.

"It would be helpful if our respective representatives could begin to exchange ideas on a possible long-term solution to cover the contingency that a satisfactory interim settlement is not negotiable.

"In any event we shall attempt through our ambassador in Tehran to impress upon Musaddiq the importance we attach to a successful outcome of the negotiations with the bank's representatives."

Sincerely,

WALTER S. GIFFORD.

No. 16

HER MAJESTY'S GOVERNMENT'S ATTITUDE TO THE INTERNATIONAL BANK MISSION TO PERSIA

To Sir O. Franks (Washington)

(No. 790. Confidential) *Foreign Office, February 12, 1952.*

My telegram No. 774.

Please deliver following message to Mr. Acheson from me:—

"Thank you for your message of February 8th. I am particularly glad that we are in full agreement that the International Bank should be given every chance of working out satisfactory proposals with the Persian Government for an interim settlement. Garner goes to Tehran with the good wishes of all of us here and we have every confidence that he will play the hand in accordance with the general principles which in my view must be safeguarded in any settlement of the Persian dispute.

2. I am sure it will be most beneficial if you can bring home to Dr. Musaddiq the importance which you attach to a successful outcome of Garner's negotiations. Nothing could be more helpful than a clear indication that you and we are agreed on this point. It may be that Garner will not be able to come to a satisfactory arrangement at once. In that event it is not my idea that the negotiations should be allowed to break down, and I imagine that Garner would merely withdraw in order to consider what further steps he could usefully take, having first tried to establish Musaddiq's minimum terms and whether he has advanced at all from his original positions.

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Speaking generally, the bank should take their time and try to get some firm reaction from Musaddiq in response to their own proposals. We would naturally consider any suggestion which Garner might then wish to make to us with the utmost seriousness. There would, of course, as you say, be no prior commitment on the part of Her Majesty's Government.

3. I appreciate your point that the bank should have the greatest possible flexibility in developing their proposals. We have not sought to tie the bank's hands over the question of management. At the same time I think the bank's representatives are bound to realise how essential it is that any arrangement which postulates the co-operation of a commercial company should provide for a really efficient management. Any commercial undertaking which is required to purchase, carry and distribute oil must be assured that oil will be forthcoming of the right quality, in the right quantity, and at the right time. This is just as important in an interim arrangement as in a final settlement, and if the management arrangements are not efficient in the interim scheme there will be even less chance of their being efficient under the final arrangements. We of course assume, and the bank agree, that no arrangements for an interim settlement will be offered which would prejudice our case before the Hague Court.

4. I think I should tell you that we were not happy about the suggestion that the

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bank might be authorised to explore the possibility of purchasing existing stocks at Abadan at a 50 per cent. discount. This would surely mean that the Anglo-Iranian Oil Company, who have already paid for the existing stocks in production and refining costs, would be asked to pay again for oil which the Persian Government have expropriated. It would also be quite inconsistent with the warnings which we have issued to prospective purchasers of Persian oil. In fact the removal of the existing stocks would make it so much the easier for such illegal purchases of oil to take place.

5. I do hope that you do not feel that we are approaching this question from a narrow view point. I am as keen as you to reach a satisfactory settlement and to remove the dangers which will remain so long as the question is unresolved, but we are bound to consider the effects which a

bad settlement, that is one which appeared to reward illegal expropriation, would have not only on other oil interests, British and American, but on foreign investments generally throughout the world. I feel I cannot stress too strongly the gravity of these effects on the financial position of the United Kingdom.

6. I entirely agree with your suggestion that our respective representatives should begin to exchange ideas on a possible long-term solution if a satisfactory interim settlement cannot be negotiated. I expect you have heard that I asked Oliver Franks to see whether Paul Nitze could not come over for talks with us here. This would, I am sure, be of the greatest possible value in paving the way to common action if the bank's efforts should in the end come to nothing."

EP 1015/49

No. 17

REPORTS BY HER MAJESTY'S CONSULAR OFFICERS

Mr. Middleton to Mr. Eden. (Received February 20)

(No. 51. Confidential) *Tehran, February 14, 1952.*
Sir,

Advantage was taken of the presence in Tehran of Her Majesty's consular officers from four provincial posts, namely, Tabriz, Meshed, Isfahan and Shiraz, to seek an up-to-date appreciation of the state of public opinion in the provinces concerned. The officers concerned were given the *questionnaire*, which I transmit to you herewith as Enclosure No. 1,⁽¹⁾ as a guide to the sort of question on which information was required. The reports of the four officers concerned are attached as Enclosures Nos. 2 to 5.⁽¹⁾

2. The reports confirmed our impression that the personal prestige of the Shah has declined considerably throughout the country. On the other hand, two posts, Tabriz and Isfahan, emphasise that the Crown retains its hold as a symbol of national pride and independence. Recent republican talk in Tehran does not seem to have found echo in the provinces. Nor does the talk of a possible Qajar restoration which is heard in Tehran, though even here in a very limited circle.

3. In the provincial towns concerned Dr. Musaddiq's personal prestige continues

to be high and although there is much criticism of his régime, his reputation appears to be lasting better than in Tehran. It also appears from these reports that in the provinces there is less awareness of the potentially disastrous practical effects of his policies upon the future of the nation. Since there is little feeling that the situation of the country is desperate it is not surprising that in none of the consular districts concerned is there any strong movement in favour of a dictatorship to remedy matters. It is clear that talk on these lines is largely confined to Tehran, though if a new dictator were to arise the provinces would no doubt hasten to submit to him. The position of Kashani among the uneducated masses of the provincial towns is undiminished. This would appear to be true also of Tehran, where, however, as in Isfahan, there is some anxiety among the educated middle class lest the revival of religious fanaticism should undo much of the modernising work of Riza Shah.

4. In provincial towns, as in Tehran, there is clearly a ferment among the industrial workers; oppression is no longer submitted to as something irremediable and the workers are becoming increasingly prepared

⁽¹⁾ Not printed.

to stand up for themselves. There is, however, no general tendency among the provincial workers to turn automatically to the Tudeh to obtain redress of their grievances. The state of affairs revealed in these consular reports suggests that Tudeh efforts in the industrial field are at present concentrated largely on Tehran, Isfahan and Abadan. No effect of any rural propaganda that might have been carried out by the Tudeh is revealed in any of these reports.

5. The impression that recent manifestations of anti-British feeling are largely artificial is confirmed in all four reports. The replacement of the present Government by one which did not find it necessary to whip up anti-foreign sentiment might be expected to lead to a general diminution of present anti-British feeling.

6. The sentiments reported about the Americans should not be given too much importance; most Persians believe that there is a desperate rivalry between Americans and British in Persia and in speaking to either will inevitably speak ill of the other. More serious is the impression of all four posts that the purposes and aims of the Point Four Programme are not understood. It is clear that a great effort will be needed in the public relations field if full success is to attend the Point Four Programme and Persia is to receive from it the benefits which her well-wishers desire.

7. I am sending copies of this despatch to Her Majesty's Ambassador at Washington, to the British Middle East Office and to Her Majesty's Ambassador at Moscow.

I have &c.,

G. H. MIDDLETON.

EP 1531/48

No. 18

JOINT PERSIAN-INTERNATIONAL BANK MISSION COMMUNIQUE

Mr. Middleton to Mr. Eden. (Received February 20)

(No. 177). *Tehran, February 20, 1952.*
(Telegraphic)

Following is joint communiqué:—
"During the last week discussions have taken place between the Prime Minister and his advisers and the Mission in an atmosphere of sincerity and goodwill, in the course of which agreement was reached on a number of problems, and on other problems the views of the Persian

Government and International Bank Mission were clarified by a frank exchange of views.

"Messrs. Garner and Prudhomme are leaving Tehran on Wednesday morning in order to pursue their activities for the export of Persian oil in large quantities.

"Messrs. Lipkowitz and Clark are remaining in Tehran to keep in contact with Persian Government."

EP 1015/52

No. 19

16th PERSIAN MAJLIS

Stages in the National Front's Struggle for Power

Mr. Middleton to Mr. Eden. (Received 27th February)

(No. 64. Confidential) *Tehran, 25th February, 1952.*
Sir,

At 12.15 p.m. on 19th February the President of the Majlis declared the 16th Legislature to be at an end. I enclose a copy⁽¹⁾ of the version of his speech published in the *Journal de Tehran* of 20th February.

2. The 16th Majlis, like its recent predecessors, was composed largely of landowners and big merchants or their representatives. There was a sprinkling of

young professional men, actuated to some extent by progressive ideals, but these few were quite unable to leaven the mass. Consciously or unconsciously the main aim of such a body is to preserve the existing social order from which they profit so greatly. If judged by their own standards, the landowning and merchant majority must be considered to have had a very successful Majlis. The Razmara Government submitted a considerable number of Bills

⁽¹⁾ Not printed.

intended to promote reform and development. The most celebrated of these was his Decentralisation Bill; other measures which may be mentioned were a Bill to increase the salaries of judges (essential if corruption in the judiciary is to be checked), a Labour Law, a Bill for the social insurance of teachers, a Bill adopting certain International Labour Office conventions and a Bill for the organisation of doctors, which attempted to set up a body in Persia similar to the British Medical Council. Although the Majlis were unable to prevent discussion of the Decentralisation Bill they were able to stop the Government from making any effective progress with it; of the other measures mentioned above none even received a first reading except the Bill for the payment of judges and that never received a second reading. For the defeat of these reformist measures the National Front, despite its pretensions to be the party of progress and reform, was as responsible as the less vocal reactionaries who filled most of the Majlis benches, and indeed the National Front took a leading part in the attack on the Decentralisation Bill. To the National Front also the reactionary majority were indebted for the creation of an issue, namely, the nationalisation of oil, which both occupied the time of the Majlis and so gave its members the excuse that they had had no opportunity to consider social legislation and diverted popular animosity from the Persian ruling class to the foreigner and infidel.

3. Turning from the social to the political aspects of the 16th Majlis its most interesting feature was the prolonged struggle as a result of which the National Front, from being a small Opposition minority, took over the government of the country. It is worth reviewing briefly the stages in the National Front's struggle for power.

4. When Musaddiq and his National Front colleagues took their seats in the Majlis in April 1950, although they made bitter press and parliamentary attacks on British interests, the constitutional problem and in particular fear of a further increase in the powers of the Shah seemed to be their principal preoccupation. In his first full-length speech in the Majlis on 25th May, 1950, Dr. Musaddiq devoted himself almost entirely to internal problems. He attacked the Shah's right of dissolution and the proposed alteration of Article 49 of the Constitution, criticised Princess Ashraf and the Imperial Social Services Organisation, and offered to co-operate with the Govern-

ment if they would press on with the Election and Press Bills which had by then been introduced. He made no reference to the oil question. By mid-June 1950 it was true to say that Dr. Musaddiq and the National Front had acquired a moral ascendancy over the Majlis and had achieved this position simply by playing constantly and unscrupulously on the latent xenophobia which is never far below the surface in most Persians. During the months of April and May 1950 the oil question was not on the agenda of the Majlis and Mansur, the then Prime Minister, was able to conceal from all concerned what his intentions were. It happened, however, that matters affecting certain other British interests, such as a contract for the purchase of railway engines from a British firm, a contract for the purchase of sugar from a British firm and a contract with a British firm supervising the provision of a piped water supply to Tehran, all came up during this period; on each of these issues the responsible Ministers were bitterly assailed by the National Front who indulged in the wildest anti-British propaganda on these issues, not failing to develop that essential part of the National Front myth, namely, the legend that the British brought in Riza Shah, were responsible for all his doings and therefore for the sufferings of such members of the National Front as fell foul of Riza Shah. These attacks produced in Ministers and Deputies the feeling, to which they were in any case constitutionally predisposed, that to have dealings with foreigners was in itself a sin. In this period was laid the foundations of the habit of mind which came to regard it as impossible and unthinkable to defend an agreement with any foreigners and in particular with the British. At the same time the National Front mercilessly calumniated any Communists and Deputies who dared to oppose their views on any issue whatever. Several members of the National Front had never held Government office and others had either been in power very little or a very long time ago; they were therefore able to carry on a campaign of propaganda against their opponents, in which they contrasted their own purity with the disreputable public records of their opponents; by the nature of Persian political life, most of their opponents had done something to which they did not much wish publicity to be given and were therefore obliged to remain silent. (The fact that several of the National Front were, to say the least of it, doubtful characters and that after achieving

office they caused scandals as least as bad as anything ever known before, does not affect the issue since these things only became known after the National Front had achieved power.) It was a mark of the National Front's ascendancy thus established that when the Supplemental Agreement with the Anglo-Iranian Oil Company was placed on the agenda of the Majlis and a Majlis commission of eighteen was appointed to study it, no less than four members of the National Front and one member of the Iran Party secured places on the commission and Musaddiq was appointed its chairman and Makki its *rapporteur*. Henceforth it was able to dominate the whole course of the oil question.

5. The struggle entered into a new phase with the Shah's appointment of Razmara as Prime Minister. The National Front were strongly opposed to this appointment and had uttered dire threats of what would happen were Razmara made Prime Minister. Against the background of Musaddiq's views on the monarchy there seems no doubt that he and his friends thought that the appointment of Razmara was likely to lead eventually to the establishment of a joint dictatorship by the Shah and Razmara. From such a development they feared at least a further long estrangement from the fruits of office and at the most suppression as under Riza Shah. For the National Front, therefore, opposition to Razmara was a matter of life and death. Their early manoeuvres against him were unsuccessful. Immediately on his appointment they were unable to close the bazaar or parade large crowds to demonstrate against him and for a short time their moral ascendancy over the Majlis was broken. But in the autumn of 1950 from his secure base in the Majlis Oil Commission Musaddiq was gradually able to re-establish this ascendancy. The Supplemental Oil Agreement and the Government's presumed support of it became more and more the focus of all National Front attacks. During December the National Front propaganda against Razmara and the Supplemental Oil Agreement and everything British reached new heights. Incitement to violence became the common form in National Front newspapers and Dr. Fatimi in his newspaper *Bakhtar-i-Imruz* urged that Razmara must suffer the fate of Nokhrashy Pasha of Egypt. For this he was arrested and his newspaper suppressed. But he was soon released and the National Front editors and Deputies

took refuge in the Majlis. At the end of the month National Front propaganda and the intimidation of Deputies had reached such a pitch that no Deputy would willingly speak or vote against the will of the National Front; the Government had taken insufficient steps to prepare the Majlis for the Supplemental Agreement and the Minister of Finance was obliged, in the same speech in which he defended the agreement, to withdraw it from the Majlis. The National Front were quick to consolidate their victory; in January they secured in quick succession the passage of a press law cancelling all press legislation since the law of 1908, a resolution dissociating the Majlis from the Minister of Finance's speech in defence of the Supplemental Oil Agreement and a resolution instructing the Majlis Oil Commission to produce proposals defining the attitude and duties of the Government in the oil question within two months. This last measure was a particular triumph for the National Front; not only did they ensure further discussion of the question would take place in a body which was completely dominated by them but by acquiring for the oil commission the right to define the duties of the Government in the oil question the National Front thought that they had made it impossible for Razmara to obtain from oil the revenues which would make him independent of Parliament.

6. From the time when the Majlis Oil Commission was given these further powers in the oil question the National Front concentrated their efforts on the passage of a resolution demanding the nationalisation of the oil industry. Razmara, for his part, was in direct negotiation with the Anglo-Iranian Oil Company and was able to secure both the promise of financial assistance and the offer of a settlement of a fifty-fifty basis, and he was manoeuvring himself into a position in which to make the best use of the fifty-fifty offer when he was murdered. As to the moral responsibility of Dr. Musaddiq and Kashani for Razmara's assassination there is no doubt. The removal of Razmara from office was a matter of life and death to the National Front and there seems no doubt that they feared that if Razmara was assured of financial support from sources outside the control of Parliament, and if he were at the same time able to conclude a fifty-fifty arrangement with the oil company, he might remain in power indefinitely. His murder was exploited with callous efficiency by Dr. Musaddiq who

the very next morning secured the passage through the commission of his nationalisation resolution.

7. The murder of Razmara completed the ascendancy of the National Front and it was only a matter of time before their leader became Prime Minister. In fact, Dr. Musaddiq received the Majlis vote of inclination immediately after the stop-gap Prime Minister, Mr. Ala, had resigned and the National Front's nine-point oil law had been passed.

8. Throughout the summer of 1951 the Majlis continued to be dominated by the National Front and as long as it was subservient to his wishes Dr. Musaddiq respected Parliament. In September, however, opposition to his rule began and there was an occasion at the end of the month when, being unable to deliver a speech in the Majlis, he was obliged to make it in the street to a crowd of passers-by whom he described as the real Majlis. His journey to America for the Security Council hearings enabled him for the time being to recover his hold on the Majlis, but he never again achieved the complete domination of the five or six months following the murder of Razmara. Indeed, the Majlis became increasingly restive and a number of Deputies in opposition to him who by then were in sanctuary in the Majlis, tabled an interpellation on 27th December, 1951. By skilful use of the elections the Prime Minister was able to avoid meeting this challenge and from 6th January, 1952, to 20th February, the end of the Majlis, there

was never a quorum. In fact, the close of the 16th Majlis saw the normal state of affairs of an active minority opposing the Government of the day, with the latter using whatever devices might come to hand to maintain its position.

9. Reference has been made in this despatch to the intimidation of Deputies by the National Front. Apart from attacks in the newspapers on opponents of the National Front and threats to their persons, this intimidation took two forms: one device was the packing of the public galleries by National Front supporters (a device which the opposition to Musaddiq used with some effect on certain occasions towards the end of the 16th Majlis); the second device was the organisation of demonstrations by National Front supporters outside the Majlis. The effect was that for a large part of the 16th Legislature the Majlis in fact ceased to be an independent body and became a machine for registering the will of the National Front. The precedent has now been set and the way has been shown to others; it may very well be that in the future it will be the Tudeh Party, with their vigorous organisation, which will profit most from the methods devised by the National Front for reducing the Majlis to submission.

10. I am sending a copy of this despatch to Her Majesty's Ambassador at Washington and to the head of the British Middle East Office, Fayid.

I have, &c.

G. H. MIDDLETON.

EP 1015/63

No. 20

ACTIVITIES OF THE TUDEH PARTY IN PERSIA

November 1951–February 1952

Mr. Middleton to Mr. Eden. (Received 12th March)

(No. 74. Secret)
Sir,

Tehran,
10th March, 1952.

In my despatch No. 307 of 1951 I reviewed the activities of the Tudeh Party during the three months August to October 1951, and my despatch No. 4 of 5th January, 1952, analysed the Tudeh Party's election manifesto.

2. The party's activities during the past four months have in the main been devoted to preparing for the elections in the hope of gaining representation in the next Majlis; their activities have, of course, been conducted under the protection of the usual cover societies, who have sponsored the

pro-Tudeh candidates. In Tehran these societies merged their effort under the common label of the "National United Council for Elections," whose election programme was enclosed in Chancery letter No. G. 10107/12 of 21st January to Eastern Department. The voting in which Tudeh-sponsored candidates averaged a poll of about 27,000, suggests that earlier estimates that the party could command some 30,000 sympathisers in Tehran were substantially accurate. Nevertheless, owing to Government "rigging" of the elections, no Tudeh Deputy was elected for Tehran and none has yet been elected for the provinces,

although the Deputy for Khalkhal, Hamdullah Zuka'i, may be considered a sympathiser since during the Communist régime in Azarbaijan he was Governor for the Azarbaijan Government in Zinjan.

3. For the rest, the observed activity of the party has consisted in spreading propaganda and organising meetings in support of the many various international Communist congresses to be held throughout the world in 1952, such as the Middle East Peace Congress (for which no date or venue is yet known to have been fixed), International Economic Conference due to be held in Moscow in April, and the Congresses "for the defence of youth" and "in defence of the interests of children" to be held in Europe later in the year. The former "National Society for the Struggle against Imperialist Oil Companies" held a congress in February to mark its anniversary, at which it changed its name to "National Society for the Struggle against Imperialism."

4. In Tehran the Tudeh Party appear to have refrained since the events of 6th December, 1951 (see my despatch No. 339 of 10th December, 1951) from large-scale demonstrations and provocative action likely to result in clashes with the police. Some disturbances have been reported from the provinces, but they appear to be no more than the usual concomitant of the elections, and to have been due as much to the energetic counter-action of their opponents as to the party's own activities.

5. The Persian security authorities have three significant successes to their credit. They made a successful raid on party headquarters in Isfahan at the end of 1951 and seized a number of valuable documents. They raided the Tehran premises of the Democratic Youth Circle in January and seized more documents. Thirdly, during February seven officers and non-commissioned officers of the Persian Air Force were arrested on suspicion of Tudeh activities, and as a result of a raid on the house of one of them a large number of Tudeh documents were discovered. This has resulted in an intensified drive by the military security authorities against Communist penetration of the armed forces. The security authorities appear to have done their best within their limited authority and are themselves aware of the seriousness of the danger; they have now sufficient knowledge of the Tudeh Party's organisation to take fairly effective measures to disrupt the party if they were authorised to do so.

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6. While there has been no change in the Government's policy of mildness towards the Tudeh, it is clear that the party's earlier high hopes have received a setback and it is not at present possible to see what effect this will have on its tactics. But it seems probable that the party's campaign for legalisation will certainly continue although immediate prospects of success must seem slight. On the other hand, it does not appear that the party is yet in a position to make a bid for power by revolutionary action. It seems, therefore, that for the time being the party has little alternative but to continue on its way exploiting all possible popular grievances with the object of broadening its influence, increasing its numbers and strengthening its organisation until the advent of more favourable circumstances or until such time as it becomes powerful enough to mould circumstances to its own advantage. The party may be expected to make particular efforts to extend its influence in the armed forces (this is one facet of its present campaign) for, as long as the anti-Tudeh laws are not enforced with vigour and the popular grievances on which the party flourishes are allowed to continue, the party may have some confidence in ultimate success. Already it is strong enough to deter security action and there is little doubt that it could cause difficulties for any Government seeking to cut the ground from under its feet by a policy of reform. Delay by the Persian Government in instituting reforms and in repressing the party's activities obviously plays into the Tudeh Party's hands.

7. I enclose a more detailed analysis of the party's present position.

8. I am sending a copy of this despatch to Her Majesty's Ambassador at Washington, Bagdad and Moscow and to the Head of the British Middle East Office (Fayid).

I have, &c.

G. H. MIDDLETON.

Enclosure in No. 20

Appreciation of the Present Position of the Tudeh Party as at 7th March, 1952

Stimulated apparently by the handicap of illegality under which it has had to operate for the past three years and having profited by the opportunities offered by the political situation since the advent to power of the National Front nearly a year ago, the Tudeh Party is now organisationally stronger than it has ever been before. It

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has succeeded in forging a centralised organisation whose efficiency, discipline and indoctrination, though perhaps not much better than fair by normal Communist Party standards, by Persian standards are decidedly impressive. No other Persian political body can rival the Tudeh Party at the moment in organisational strength.

2. Direction of the party during recent months, exercised by a group of leaders whose identity can be deduced but whose actual movements and activities for the most part remain obscure, has been resolute and intelligent. Though the growth of communism in Persia is a comparatively recent development and the Tudeh Party at ten years old is still only a minor among Communist parties, the leading officials of the party, some of them trained in Russia, have had the opportunity to absorb much varied experience in their time and show signs nowadays of greater maturity.

3. In numbers the party is not as large as it was at its peak during the Russian occupation and before the Azarbaijan Democrat fiasco. No authentic current membership figures are available, but a recent estimate for Tehran put membership of the clandestine organisation at approximately 8,000 to which it was reckoned should be added another 30,000 sympathisers. The average published poll of the Tudeh candidates for Tehran in the recent Majlis elections, 27,000, suggests that this estimate was not far out. Membership figures for the whole country are unlikely to be much more than double the figures for Tehran. While nowhere else as well organised as in Tehran, the party is numerically strong among the mill-workers of Isfahan and has a fair organisation in the northern provinces of Gilan, Mazandaran and Gorgan. The party also has an effective foothold in Khuzistan. The geographical lay-out of the party takes in also Azarbaijan, Khurasan, Fars, the Mahabad area of Kurdistan and districts around Kirmanshah, Hamadan, Kirman and Yazd, but in none of these areas has activity so far been more than slight and organisation appears still to be only rudimentary.

4. Functionally Tudeh strength is quite effectively deployed. Of the three main classes from which the party seeks to draw its recruits—the workers, the peasants and the white-collar workers—the first and the last are so far the most affected, but for the last year the party has been conducting a

determined campaign to extend its influence among the peasantry and there are signs that this effort is gradually beginning to bear results. The party appears to have been somewhat slow in consolidating its hold over the labouring classes and although at the moment it disposes of a more efficient trade union organisation than its opponents who are weakened by internal rivalries, it has not yet succeeded in this field in circumventing with any success the ban of illegality and, among the workers themselves, the party has in some instances met vigorous opposition from anti-Tudeh groups. In Tehran it would seem that Tudeh strength among the workers is still insufficient to enable them to use the weapon of the general strike. Among white-collar workers Tudeh influence is in particular evidence among officials of the Ministries of Justice and Education. This enables the party in the one case to establish its hold over the educated classes of the future and in the other to protect its members and its activities from the operation of the law. Tudeh strength in educational establishments is reflected in the armed forces where it is among junior officers and the non-commissioned officers that Tudeh influence is most pronounced. Tudeh strength in the armed forces is by no means negligible. Mention must also be made of the numerous classes of the population brought within the Tudeh orbit by the many covert societies established by the party to exploit a wide range of particular grievances.

5. On the other side of the picture the main present weaknesses of the Tudeh Party may be enumerated as follows: illegality; the failure to create cover societies whose Tudeh affiliations have not rapidly become apparent; the party's connexions with the U.S.S.R. which expose it to traditional Persian Russophobia; the lack of appeal of communism to the tribes (some northern Kurdish tribes are, however, subject to Russian influence); the party's failure to date to neutralise the security forces; its failure to secure sustained support from any prominent non-communist political figures, though it may claim some influence with the Left-wing of the Iran Party; to all of which must finally be added a certain slackness of the Persian character which makes the task of regimentation and activation difficult for any individual or organisation not in a position to apply coercion.

REPORT ON THE MAJLIS ELECTIONS

Mr. Middleton to Mr. Eden. (Received March 12)

(No. 75.)
Sir,

Tehran
March 10, 1952.

With reference to my semi-official letter of the 4th February and later correspondence addressed to Mr. Ross, I have the honour to submit the following report of the present state of the Majlis elections.

2. So far the election of 39 deputies has been announced in the press but it is understood that the election of a further dozen or so has been completed. The greater part of these are from the northern part of Persia although a few elections have been completed in the south, e.g., at Firuzabad and Jahrum. The most interesting features of the elections so far are the failure of the Tudeh party, the flagrant rigging of the elections in Tehran in order to provide seats for important National Front supporters, the relatively high proportion of mullahs (nearly a quarter of the deputies so far elected) and the success of provincial landed interests in defending their positions. (Examples are the results for Zinjan, Maragheh, Rizaieh, Birjand and Firuzabad.)

3. If the elections when completed follow the present pattern the principal difference between the 17th and the 16th Majlis will be in the proportion of mullahs. This will not be an unmixed advantage for the National Front since some elements of both the Persian Party and the Toilers' Party are out of sympathy with the clerical point of view and do not wish to reverse the process of secularisation begun by Riza Shah. On the other hand, since the

mullahs can be expected to be both anti-foreign and anti-Pahlevi and these two ideas appeal to the other sections of the National Front, Dr. Musaddiq should be able to hold his diverse forces together provided he can produce sufficient xenophobic and anti-dynastic slogans.

4. At first sight it might be supposed that a strong clerical representation in the Majlis will strengthen the forces working against communism. In the short run this might be true, but in the long run clerical obscurantism, by opposition to the spread of modern ideas and methods which alone at this stage in her history can turn Persia into a prosperous community, will tend to perpetuate the conditions which make the country such a favourable field for the spread of communist ideas; in the words of the Persian saying, "hunger knows no faith."

5. With increased clerical representation and with, as usual, strong representation of the land-owning and merchant class, it is to be expected that in the 17th Majlis opposition to measures of social reform will be at least as determined as in the 16th Majlis.

6. When the 17th Majlis will convene it is at present difficult to foresee, but the necessary 69 Deputies might be collected in Tehran by the middle of April.

7. I am sending a copy of this despatch to Her Majesty's Ambassadors at Washington and Moscow and to the Head of British Middle East Office, Fayid.

I have &c.,

G. H. MIDDLETON.

CONVERSATION BETWEEN HER MAJESTY'S CHARGE D'AFFAIRES AND THE SHAH

Mr. Middleton to Mr. Eden. (Received March 11)

(No. 232)
(Telegraphic)

Tehran
March 11, 1952.

International Bank and Persian Oil.

The Shah sent for me unexpectedly this evening. Negotiations with the International Bank have made little progress in the last few days and he had sent for Musaddiq

yesterday and had had a discussion with him lasting over three hours. He now wished to discuss the situation with me.

2. The Shah began by saying he had always thought it would be best if an agreement on the oil question could be reached with the Musaddiq Government. Musaddiq

had put through the nationalisation law, had promised the people of Persia that they would enjoy untold wealth as a result and in the process had acquired a virtual monopoly of patriotism and it was logically up to him to settle the question. The Shah, however, was deeply concerned over the endless delays and by the apparent negative policy of Musaddiq. He considered that the latter had lost a great deal of prestige over the elections, which had been just as corrupt as any in the past. Now the country was facing bankruptcy and the Shah felt that matters could not be allowed to drift. He had therefore spoken in energetic terms and had asked the Prime Minister exactly what his programme was.

3. Musaddiq had told the Shah that he only wished to settle the oil question and then resign. Of three main difficulties with the bank he thought the question of management might be settled if a phrase such as "under power of attorney for the Persian Government" could be accepted instead of the phrase "for account of the Persian Government" to which the bank had taken exception. As regards price it was a question of showing that a reasonable profit was accruing to Persia from the refinery; the latter was the main asset which distinguished Persia from her neighbours and the Prime Minister could not justify to the people an arrangement which only included a refining fee of a few cents a barrel. Finally, on the question of technicians, he suggested, the admission or not of British experts should be left for the 17th Majlis when it came to ratify the draft agreement with the bank. He, Musaddiq, would retire before then and leave it to the judgment of the people.

4. Having given me the foregoing account of his talk with the Prime Minister the Shah said that he wished to appeal to us to see whether we could not make some adjustment on the question of prices. I said that so far, the sub-committee of the Oil Commission, with which the bank was negotiating, had only put forward proposals which had already been turned down and which were in any case quite out of line with world prices; the basic problem was selling Persian oil at prices competitive with other producers. The Shah said he fully appreciated the last point. Musaddiq's position in the matter was largely a political one and he wished to ask whether we could not allow a larger profit on refining even if margin on crude had to be correspondingly

reduced. I said I would put this point to you immediately.

5. Turning to more general matters the Shah repeated that Musaddiq's policy was unfortunately entirely negative. He, the Shah, had wished to allow the Prime Minister every chance to carry through his policy and he believed the nationalisation programme had perhaps served a useful purpose in reviving Persian self-respect. But now the country was faced with a financial and economic crisis, the Prime Minister had become a slave of his own propaganda and he might, if necessary, have to make a change of Prime Ministers. But first Musaddiq must be given his last chance to come to an agreement with the bank. The Shah then went on to say that he did not think Musaddiq in opposition would be very dangerous. If he signed an agreement with the bank he would have to defend it in the Majlis; if he failed to sign an agreement the people would turn against him and blame him for their misery. But the Shah thought that Musaddiq would choose to go into retirement and that a strong Government could control the next Majlis. He then made the point that to get an agreement now with the bank it was important that neither we nor the Americans, nor anyone else, allow it to be thought that if the present proposals were turned down the Persians could count on further concessions in future. Indeed the Shah's own position would depend on our taking a firm line in the matter.

6. The Shah spoke in an extremely frank and friendly manner with, I thought, more resolution than usual. He gave me the impression that he had for once made up his mind and he spoke with optimism of restoring close and friendly relations with Britain and the West once the oil question had been eliminated. He declared for the first time his belief in the need of a strong Government which could control and guide a Parliament which by the nature of things, was not truly representative and could not hope to be for many years to come. This was in sharp contrast to his usual talk of a weak and conciliatory Government.

7. The bank have telegraphed separately to the Anglo-Iranian Oil Company about the price question. I hope to report tomorrow what progress, if any, they have made on other points.

8. I think this represents the first glimmer of hope that the Shah may now intervene in a positive manner. I shall try to send a further assessment to-morrow.

EP 15314/61

No. 23

INTERNATIONAL BANK MISSION'S DISCUSSIONS IN TEHRAN

Mr. Middleton to Mr. Eden. (Received March 17)

(No. 248) *Tehran,*
(Telegraphic) *March 17, 1952.*
Washington telegram No. 28 to Tehran:
Persian oil and International Bank.

Following joint communiqué has now been agreed between Prudhomme and Persian Government for publication on evening of 17th March or morning of 18th March:—

"Members of International Bank Mission have held discussions about oil problems with Prime Minister and his advisers in several meetings from February to March. The discussions, which have been frank and friendly, covered principal problems involved in the operations of the industry. A measure of agreement has been achieved on some points but, unfortunately, it has not been possible to reach agreement on several important issues. The members of Bank Mission will avail themselves of Now-Ruz and Easter holidays to go to Washington and report results of these discussions to bank management. The mission will be

ready to return here later if it appears that further progress can be made."

2. Text, as it now stands at least, makes it fairly clear that no agreement has been reached on the main issues. Musaddiq was apparently at first inclined to spell out points of difference but this was, I think, wisely avoided.

3. Prudhomme did not see Musaddiq yesterday but will take leave of him tomorrow. Recent meetings with Persian Sub-Committee have remained friendly, though quite unproductive, and there [? group omitted] some evidence of wish on their part to consider playing for time, probably to avoid breaking before holiday begins. My United States colleague and I agreed however that such delay could serve no useful purpose.

4. Your telegram No. 257. Prudhomme hopes in the circumstances you will not be embarrassed by his visit to London (where he is due to arrive by B.O.A.C. 23.00 hours 18th March).

EP 1892/26

No. 24

HER MAJESTY'S GOVERNMENT'S REPLY TO THE PERSIAN NOTE ALLEGING INTERFERENCE IN PERSIAN INTERNAL AFFAIRS BY HER MAJESTY'S CONSULAR REPRESENTATIVES

Mr. Middleton to the Persian Minister for Foreign Affairs

Tehran,
M. le Ministre, *March 19, 1952.*
I have the honour, on instructions from Her Majesty's Principal Secretary of State for Foreign Affairs, to refer to your Excellency's Note No. 6507 of the 20th January, 1952 (29th Dai, 1330), and to reply as follows:—

The enclosures in the Imperial Government's Note of 20th January (No. 6507) do not in any way show that Her Majesty's Consular representatives have improperly intervened in the internal affairs of Persia. They relate, with one exception, to events which took place many years ago, namely in 1914, 1918 and 1944. The exception referred to concerns the action of Her Majesty's Acting Consul-General at Ahwaz in protesting to the Governor-General of

Khuzistan in August of last year against discourteous treatment suffered at the hands of Persian officials on the occasion of the visit of Mr. Stokes and Mr. Harriman to Abadan on 7th August, 1951. This action of the Acting British Consul-General was, in the opinion of Her Majesty's Government, entirely justified. Even if this were not so, neither his letter to the Governor-General, nor his remarks on 5th August, 1951, to newspaper correspondents, to which allusion is also made in your Excellency's Note of 15th August, 1951, can be construed as interference in the internal affairs of Persia.

The other documents enclosed in the note from the Imperial Government under reference hardly merit examination as evidence of interference by Her Majesty's

Consular officers in the internal affairs of Persia of such a kind as could justify the closure of consulates in 1952. The first, second and third of the eight documents enclosed relate to events which took place during the 1914-18 war when the actions of Her Majesty's Government were, *inter alia*, directed towards securing the independence and well-being of Persia. The fourth, fifth, sixth and seventh of the documents enclosed relate to events which took place during the recent war and concern a request to an official of the Persian Government, which was at the time an ally in the war, to take certain action against a Persian subject who, while on release on bail on a charge of misappropriating Allied property, was engaging in propaganda against the Allied forces.

Her Majesty's Government cannot accept these documents as evidence that British Consular officers in Persia have interfered in Persian internal affairs in a way which threatens the independence of that country. Indeed, the documents offered by the Persian Government would seem to show

not only that these actions constituted no improper interference in the internal affairs of Persia, but that, being consular functions appropriate to the circumstances, they contributed to the preservation of Persian independence and internal order.

Her Majesty's Government are confident that the Imperial Government cannot substantiate charges of interference by British Consular officers in the internal affairs of Persia and, therefore, hold to the view that the Persian Government's refusal to allow the maintenance of consulates in Persia is a breach of Article IX of the treaty signed in Paris on 4th March, 1857, between the United Kingdom and Persia by which Her Majesty's Government have the right to maintain consular representatives wherever other foreign Governments do so. Her Majesty's Government also wish to reaffirm that, within the limits of their treaty right, it is for them to decide where the proper protection of their interests requires the presence of a consular representative.

I avail, &c.

G. H. MIDDLETON.

EP 11345/10

No. 25

PERSIAN REQUESTS FOR UNITED STATES LOANS

Sir O. Franks to Mr. Eden. (Received March 20)

(No. 703) *Washington,*
(Telegraphic) *March 20, 1952.*
Persian oil.

Following statement was issued by State Department, 20th March:—

"The United States has received several requests, both written and oral, from the Persian Government for loans for direct financial assistance to ease the acute situation in which the Persian Government finds itself as a result of the loss of its oil revenues. The United States position in response to these requests has been that while the United States desires to be in a position to render Persia any proper and necessary assistance, it could not justify aid of the type requested at a time when Persia had the opportunity to receive adequate revenues from its oil industry without prejudice to its national aspirations. It has been pointed out that the United States is bearing a heavy financial burden in its efforts to help bring about a stable and

lasting peace and that it is most difficult to undertake additional commitments to a country which has the immediate means of helping itself.

"2. The United States has not, as indicated in press reports originating in Persia, established as a condition for granting financial aid to Persia that the Persian Government should accept any particular proposals. The United States has consistently maintained that a settlement is possible in which the legitimate interests of both Persia and Great Britain will be protected and which will make the resumption of the oil industry operation feasible and practicable from the economic viewpoint. We believe that the offer of the International Bank to assist in this matter has provided a good opportunity to reach this objective even though on an interim basis. We continue to hope that a formula will be found which will be acceptable to both parties."

EP 1011/1

No. 26

PERSIA: ANNUAL REVIEW FOR 1951

Mr. Middleton to Mr. Eden. (Received 2nd April)

(No. 88. Confidential) *Tehran,*
Sir, *24th March, 1952.*

I have the honour to send you herewith a report on events in Persia during the year 1951. I am greatly obliged to Mr. R. G. Dundas, formerly Her Majesty's Consul-General at Tabriz, who has given much assistance in its compilation while awaiting orders here; and to Mr. Walker, the commercial counsellor, for the economic section.

2. When the events of 1951 come to be recorded in later years in the wider context of Persian history, I think it will be found that the murder of General Razmara marked a turning-point. At the time of his murder Persia's oil revenue on the existing basis was coming in regularly and there was the prospect of a substantial increase. These large existing and prospective revenues in turn offered the hope that extensive economic development could and would be undertaken and that the standard of living of the people could gradually be raised from its deplorably low level. The murder of General Razmara brought Dr. Musaddiq and his clique into power and at the time of writing there is no immediate prospect of their being forced from office. Since it is not to be expected that Dr. Musaddiq's ideas will change, the country must now look forward to a long period in which both Government finances and national development will have to be managed as best they can with virtually no revenue from the former oil industry. The hopes of Persian advancement which her British and American well-wishers fostered in the immediate post-war years must now be postponed if not altogether abandoned. To many observers it appears that Persia will remain a backward, corrupt and inefficient agricultural State from which the most that can be hoped is that it shall not totally disintegrate or disappear behind the Iron Curtain.

3. I am sending a copy of this despatch to the head of the British Middle East Office at Fayid.

I have, &c.

G. H. MIDDLETON.

Enclosure in No. 26

Report on Events in Persia in 1951

The year under review has been dominated by the dispute between the Persian Government on the one hand and the Anglo-Iranian Oil Company (A.I.O.C.) on the other. The unilateral cancellation of the concession granted in 1933 to the company and the "nationalisation" of the oil industry have resulted in an awakening of national consciousness which in more able and honest hands might have led to some revival of the national will and to much needed measures of internal reform. But the original movement was born of the needs of partisan politics and never rose above them. The stresses set up have affected every aspect of national life. The position of the Shah, the authority of Parliament, the loyalty of the army, the financial and economic stability of the State have all in turn been subjected to strains which have taken a toll from which the country may take many years to recover. The end of the year saw Dr. Musaddiq, the fanatical leader of the nationalist movement, still feverishly clutching at the shadow for the substance and still apparently unable to distinguish beyond the two.

Oil Dispute

2. The chronology of events can be briefly recapitulated. On 11th January the Majlis confirmed the report of the Mixed Oil Commission, a body dominated by the National Front, which was unfavourable to the Supplemental Agreement negotiated in 1949. At the same time they charged the commission with preparing within two months a further report on the course which the Government should take in the matter. Meanwhile the company made every effort to persuade the Persian Prime Minister, General Razmara, to reopen negotiations on a 50/50 profit sharing basis and to make known to the Persian public both this offer and the financial advances which the company was making to the Government. The Prime Minister however preferred to maintain the closest secrecy with the result that it was not until after Dr. Musaddiq

had, on 19th February, put a formal proposal to the oil commission for the nationalisation of the Persian oil industry that the attitude of the company was publicly known.

3. The National Front continued its vigorous campaign for nationalisation and the Prime Minister was called upon by the oil commission to state whether nationalisation was practicable or not. He referred the matter to a panel of Persian experts, all of whom reported unfavourably to nationalisation. The Prime Minister presented these reports on 3rd March and their contents were broadcast over the Tehran wireless. On 7th March General Razmara was assassinated.

4. The next day the Mixed Oil Commission adopted a resolution accepting the proposal to nationalise the oil industry and this decision was approved by the Majlis on 15th March and by the Senate five days later. A nine-point Bill providing for the implementation of the principle of nationalisation was quickly drawn up and received the royal assent on 1st May. Meanwhile Dr. Musaddiq had become Prime Minister.

5. On 14th March His Majesty's Government had addressed a note to the Persian Government expressing concern at the course which events were taking and referring to the provisions for arbitration in the 1933 agreement. Furthermore before the nationalisation Bill became law the company had protested against attempts unilaterally to alter the terms of its agreement.

6. On 8th May the Company formally notified the Persian Government that it requested arbitration in accordance with Articles 22 and 26 of the 1933 agreement and that Lord Radcliffe had accepted appointment as its arbitrator. When the Persian Government took no steps to appoint a second arbitrator the company, in conformity with the procedure laid down in its agreement, applied on 26th May to the president of the International Court of Justice at The Hague for the appointment of a sole arbitrator. On the same day His Majesty's Government instituted proceedings before the International Court of Justice against the Persian Government on the grounds that a British national had been treated in a manner not in accordance with the principles of international law and that there now existed a dispute between the two Governments.

7. On 13th May the Persian Government addressed a note to the company expressing

a desire to use the company's knowledge and experience in implementing the nationalisation law. While reserving its legal rights the company took advantage of this opening to repeat its desire to settle all differences by negotiation and on 11th June a delegation led by Mr. B. R. Jackson, the deputy chairman, arrived in Tehran. The proposals the company put forward were rejected out of hand by the Persian Government who made it clear that they could not depart from the letter of the nationalisation law which implied immediate dispossession of the company though the latter could continue to manage the oil industry on a temporary basis as agents for the Persian Government until such time as the latter were ready to take over themselves. A temporary board of directors of the specially formed National Iranian Oil Company (N.I.O.C.) had meanwhile been appointed and had proceeded to the oil fields areas with a view to assuming the management of operations. A campaign of interference in the day-to-day management of the industry then began. At the end of June the temporary board gave British members of the company's staff one week in which to declare whether they wished to enter the service of the nationalised company. The reply of the staff was unanimously in the negative. At the same time under instructions from Tehran the Persian authorities at Abadan refused to clear the tankers in port unless the master first signed a receipt acknowledging that the cargo was the property of the National Iranian Oil Company. The masters refused to comply and on 26th June all shipments of oil from Abadan ceased.

8. On 5th July the International Court of Justice, in response to a request from His Majesty's Government, suggested certain provisional measures which should apply pending the Court's final decision in the proceedings instituted on 26th May. The recommendations indicated that the two Governments should take no measures likely to prejudice the legal case of either side and that in the meanwhile operations should continue under the direction of the company's management in the same way as they had before 1st May. His Majesty's Government at once undertook to comply with the recommendations of the Court, but the Persian Government declared that the order instituted unwarranted interference in the internal affairs of the country and would be regarded as invalid.

9. At this stage the Persian Government accepted the suggestion of President Truman that Mr. Averell Harriman should visit Tehran for discussions on the oil dispute. Mr. Harriman arrived on 15th July and after lengthy talks a formula was agreed which resulted in the arrival on 4th August of a British Government mission led by the Right Hon. Richard Stokes, Lord Privy Seal. Persistent endeavours were made to find a solution but the insistence of the Persian Government on the literal application of the nine-point nationalisation law eventually brought discussions to a standstill and Mr. Stokes returned to London on 24th August. Mr. Harriman also left Persia immediately afterwards.

10. Meanwhile the cessation of operations at Abadan had brought about a gradual reduction of British staff to some 350 men. Interference by the temporary board of the N.I.O.C. was increasing and on 27th September, after His Majesty's Government had rejected a further set of proposals which did not carry the matter any further, the Persian Government ordered all British staff to leave the country before 4th October. In the light of this threat His Majesty's Government submitted the oil dispute to the Security Council of the United Nations on 28th September. Shortly afterwards it was decided to withdraw the British staff since all attempts to persuade the Persian Government to rescind the expulsion order had proved unavailing.

11. Dr. Musaddiq appeared in person before the Security Council to deny the competence of the latter to adjudicate. The council finally adopted a French proposal on 19th October that discussion of the issue should be postponed until the International Court of Justice had pronounced upon its own competence. His Majesty's Government had in the meantime, on 10th October, submitted to the International Court of Justice a memorial dealing both with the merits of the case and the question of jurisdiction.

12. After the Security Council meetings, Dr. Musaddiq, at the invitation of the United States Government, went to Washington for discussions with the State Department. They were inconclusive, but in November the International Bank put forward tentative proposals to act as trustee for the Persian oil industry on a temporary basis so as to allow operations to resume pending a final settlement of the dispute. At the end of the year this suggestion had not been accepted by Dr. Musaddiq.

Economic Affairs

13. In September His Majesty's Government cancelled the special dollar convertibility facilities which had been originally granted for Persian sterling because of the importance of Persian oil to the British economy; at the same time United Kingdom exports of certain scarce goods to Persia were stopped and some cargoes were requisitioned *en route*. As a reprisal the Persian Government withdrew from the British Bank of Iran and the Middle East its authority to deal in foreign exchange. This made the bank's position, already severely affected by the onerous 1949 regulations for foreign banks, even less tenable, and by the end of the year it had closed down all but four of its provincial branches. With typical inconsistency the Persian authorities saw fit to ease the position of the other important remaining British concern, Sir A. Gibb & Partners, which, after nearly two years of payments' difficulties, finally reached a satisfactory settlement in August and has since experienced very little trouble.

Financial and Economic

14. At the beginning, as at the end of the year, the Government was in financial difficulties. General Razmara was able to make an interim arrangement with the A.I.O.C. whereby the latter agreed to make advances, against an eventual oil agreement, on a considerably larger scale than the payments under the 1933 agreement. This source of funds ceased with the passage of the Oil Nationalisation Law and the Musaddiq Government was faced with a cut in revenue amounting to about 30 per cent. of the total annual budget, and the country with the loss of over 60 per cent. of its annual foreign exchange income. For many months the Government showed little anxiety about this state of affairs, even when it was aggravated by the final withdrawal of the British staff from Abadan which threw the large burden of paying the idle oil workers on to the Government's shoulders. By various methods, the most important of which was the borrowing of £14 million from the note cover, the Government managed to meet its most important commitments. Government salaries and wages were paid with no more than normal delay but other Government debts mounted steadily. At the end of the year the Government issued the first series of a

National Loan and was at last becoming more conscious of the rapidly deteriorating financial position.

15. The Bank Melli and the Exchange Control authorities showed an acuter awareness of the country's external balance of payments and the available foreign exchange was husbanded fairly satisfactorily. At the end of December the list of permitted imports was drastically pruned in order to keep external payments within the income from exports, the only remaining source of foreign exchange. Stocks of most basic commodities were high with the possible exception of sugar. Business turnover steadily decreased as the year progressed and cash and credit grew increasingly tight. By the autumn the rise in the cost of living became noticeable. Nevertheless, the economic deterioration was much more gradual than the financial.

16. The harvest was satisfactory and food prices did not show any very marked rise until late in the year. Industrial activity recovered after a severe depression in the Isfahan textile industry in the spring. Unemployment increased but not alarmingly. Economic conditions were still very much better than three years previously when bad harvests and a severe winter led to mass migrations of unemployed into Tehran. By the end of the year the economy had certainly lost much of its resilience but was still far from collapse. Its greatest weakness was growing sensitivity to the rapidly worsening financial situation.

17. The hopes of the Seven-Year Plan Organisation, raised by the Anglo-Iranian Oil Company's substantial advances to the Razmara Government, were lower than ever before by the end of the year. Shortage of funds prevented the execution of most of its development plans and His Majesty's Government's embargo on the export of rails to Persia rendered valueless much of the construction work done on the railway extensions to Meshed and Tabriz. By December the Plan Organisation was doing little more than administer the State industries, the efficiency of which it had managed to raise somewhat during the year. The technical aid provided by the United Nations Technical Assistance Board and the offer of American aid under the expanded Point-Four Programme, though useful in keeping alive an interest in plans for social and economic development, were not of a sufficient magnitude to offset to any marked extent the Seven-Year Plan's loss of nearly all its impetus caused by the disappearance of the revenues from oil.

Position of the Monarch

18. The marriage of the Shah to Miss Suraya Isfandiari on 12th February was the occasion of spontaneous expressions of loyalty. It is to be regretted that to date there is no news of an heir, as this would have contributed greatly to the stability of the Crown.

19. During the year the constitutional position of the Crown has undergone no outward change, though since Dr. Musaddiq became Prime Minister the Shah no longer presides over Cabinet meetings once a week, which for some time past had been his practice. In fact the vacillations of the Shah and his failure to use traditional constitutional procedure or to exercise his influence during the crisis of the year under review have much reduced his personal influence in national affairs.

20. At the beginning of the year both the Shah and General Razmara were anxious to reach agreement with the Anglo-Iranian Oil Company. They were out-manoeuvred by the National Front. After the assassination of General Razmara, the refusal of the Majlis to accept the Shah's nominee, Mr. Khalil Fahimi, to succeed him, and the short-lived Government of Mr. Husain Ala, the Shah might still have retained his influence if he had followed the normal procedure of putting forward his nominee, and had named either Sayyid Zia Tabataba'i or the veteran Qavam-us-Saltaneh, it is likely that either would have been acceptable to the terror-stricken Majlis. Instead, wavering himself, the Monarch adopted the pusillanimous procedure of instructing the Speaker to take the sense of the House. This swept Dr. Musaddiq into power, and the Shah had no alternative but to sign the Farman making him Prime Minister. From that moment on, not being indebted to the Crown for his nomination Dr. Musaddiq had the upper hand, and the Shah had again and again to defer to the Prime Minister, however distasteful this might be to him. Numerous approaches by His Majesty's Ambassador to the irresolute Shah produced no tangible result.

21. It should be added that in spite of all this the prestige of the Crown as a symbol of national unity, independence and pride remains unimpaired in most parts of the country outside the capital.

Parliament

22. The Majlis, at best inept, has lost what prestige or popular influence it ever had. After the assassination of General Razmara, its craven subservience to the

ranting National Front discredited it completely. Dr. Musaddiq used the House for the publicity of gaining overwhelming votes of confidence. When, at the end of the year, opposition to him became strong, he adopted the time-worn procedure of evading a quorum. Thus it was that an opposition interpellation against the Government came to naught. When it suited Dr. Musaddiq he ignored the House and proceeded without its authority on matters of prime national importance such as the expulsion of the British technicians from Persia. His treatment of the Upper House was no less cavalier, and on more than one occasion he succeeded in evading requests to appear before the Senate.

23. At the end of the year the machinery had been put in motion for elections to the 17th Majlis. Progress was slow, and in spite of Dr. Musaddiq's call for "free" elections, there could be little doubt that the elections were being systematically rigged in favour of the National Front.

The Church

24. Comment on the organs of State cannot overlook the Church. During the year under review the Church has witnessed a sort of revival, albeit not on ecclesiastical lines. The demagogue Ayatullah Kashani has wielded great power, and has contrived to link the furtherance of the interests of the National Front with religious obligation on almost every score. It even became a religious duty to buy bonds for the National Loan floated by the Government at the end of the year.

25. Side by side with this the Feda'iyani-Islam, whose leader Navab Safavi was still in prison at the end of the year, exercised great influence thanks to their terrorist methods in emphasising religious obligations. This body has existed for a long time, but it is only in the course of this year that it has come to be used for political purposes.

Foreign Affairs

26. The improvement in relations between the U.S.S.R. and Persia which had become apparent in the time of General Razmara has at least superficially been maintained. There were sporadic talks about renewing the commercial agreement and about the return of the Persian gold from Moscow. If little progress was in fact made the talks were at least an outward symbol of good relations. On 7th November a protocol on Perso-Soviet frontier

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differences was signed at Astara. With the U.S.S.R. thus quiescent and content to watch the march of events, which could hardly have been more satisfactory from its point of view, Dr. Musaddiq was left with his hands free to indulge in the old game of playing off one great Power against another—Great Britain against the United States. In this, he was greatly aided by the American policy of "neutrality" in the oil dispute. This neutrality was so conceived and expressed that the Persian Government were able to represent publicly that the United States were supporting them. The United States policy was derived from the dominating fear that, if the Musaddiq Government fell, Persia would be dragged behind the Iron Curtain. Furthermore, the American Ambassador, Dr. Grady, was usually unwilling to discuss in advance with His Majesty's Ambassador his numerous disconcerting approaches to the Persian Government. Thus the United States continued to be regarded as friendly towards Persia in the oil dispute, until on 19th May the Persian Government were informed that His Majesty's Government were prepared to accept the principle of nationalisation, and the United States Government (to whose views this was a notable concession) issued a statement warning the Persians against unilateral cancellation of the 1933 Concession and dashing any hopes they had of receiving United States aid in running a nationalised oil industry.

27. While relations with His Majesty's Government deteriorated steadily, other nations gained popularity or otherwise according to their attitude to the oil dispute and the fight against "imperialism." Egypt and Poland reaped popularity from the fact that their judges at the International Court submitted a minority report favourable to Persia. Similarly the rôle of countries voting against the United Kingdom or abstaining at the Security Council was singled out for favourable mention. At the end of the year Persia demonstrated her solidarity with Egypt by recognising the title of King Farouk as King of Egypt and the Sudan. Iraq on the other hand received an official protest for harbouring the cruiser *Mauritius* in Iraqi waters while she lay off Abadan.

28. At the end of the year, then, Persia was drifting towards isolation. Despite numerous feelers there had been no rush to buy her oil, and an agreement with Afghanistan had not yet resulted in any

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transactions. Talk of supplies to Egypt and Poland seemed to have little but internal propaganda value. Dr. Musaddiq alienated himself from the Western Powers in general by his opposition to the Middle East Defence Organisation. While his efforts to play off Great Britain and the United States against one another undoubtedly helped him to achieve oil nationalisation, they left him at the end of the year with no powerful ally, an historic *sine qua non* to the survival of Persia. He further alienated opinion in these countries by the arbitrary expulsion of the *New York Times* and Reuter's representatives.

Internal Affairs

29. Internal affairs have been characterised by the gradual breakdown of law and order and the machinery of Government. The assassination of General Razmara was followed by a reign of terror during which Deputies literally walked in fear of their lives. The religious demagogue Ayatullah Kashani spat fire and brimstone and encouraged the Fedaiyan-i-Islam to threats of physical violence. The murder of Dr. Zanganeh, formerly Minister of Education, was not thought to have any political significance.

30. The greatest breakdown came in Abadan. A small strike in the fields areas arose out of the untimely reduction by the A.I.O.C. of certain hardship allowances at the time of the No Ruz holidays. The strike spread to Abadan where 1,000 strikers intimidated 26,000 into staying away from work. Rioting broke out and three Britons were killed. Blood was shed in many towns, and Tehran became a repeated prey to mob violence and demonstrations organised by one faction or another.

31. Communist activity was carried on largely by the National Association for the Struggle against Colonialist Oil Companies, skilfully playing the cards dealt to it by the

proscribed Tudeh Party. They were held largely responsible for the Abadan riots. On 15th July a clash in the Majlis Square between this group and the Toilers' Party resulted in the biggest bloodshed of the year when at least twenty people lost their lives. The end of the year saw a revival of more or less overt Tudeh activities. Correspondingly police activity against the party increased. Many arrests were made in October when defamatory leaflets were distributed in the presence of the Shah at a sporting event. In December, in direct contravention of police regulations, the Tudeh-sponsored Students Organisation succeeded in staging a demonstration which ended in a brawl with the Toilers' Party when at least eight people were killed. At the same time much damage was done to newspaper offices by gangs of Toilers' Party supporters.

Conclusion

The end of the year saw Persia with her great oil industry stopped, her finances in parlous condition, her economy gradually running down, the authority of government impaired and an already inefficient machinery of administration at a virtual standstill. The fault could be laid at the door of one man—Dr. Musaddiq. Himself an honest, if misguided and often purblind, patriot, his instinct for demagoguery, his single-minded obstinacy and his total lack of constructive ideas have rendered impossible the development into a genuine national revival of the upsurge of national sentiment on which he rode to power. Unwilling ever to recognise a mistake or concede a point, Dr. Musaddiq has fanned national pride into intolerance, religious revival into fanaticism and a desire for greater independence into stubborn isolationism and xenophobia. The Persian people, long accustomed to poverty, may in future be called upon to suffer much more.

iniquities of British imperialism and the anti-Persian machinations of the Anglo-Iranian Oil Company. It included, for the benefit of his audience, much praise of the United States for the assistance they had accorded in the past to the Persian national movement, together with an appeal for aid to help Persia in her present unequal struggle against Britain. Dr. Musaddiq alleged that, under the 1933 Agreement, Britain had so far extended her power in Persia that hardly a single real representative of the people was allowed to be elected to succeeding Majlises. He declared that, during the last war, so-called Anglo-Iranian Oil Company experts had donned military uniforms, and stated that his Government was not prepared at any price to readmit British spies in the guise of oil experts. In conclusion Dr. Musaddiq gave his version of the recent discussions for an oil settlement with the representatives of the International Bank.

3. Annexed to the transcript of the speech given to the journalists were copies of three letters written in November 1920 by the British Minister to the Persian Prime Minister of the day; Dr. Musaddiq claimed that these proved that Her Majesty's Government used bribes and illegitimate influence on the Government to secure their agreement to the abortive 1919 treaty.

4. In the course of his address Dr. Musaddiq alluded to his correspondence with President Truman about the Persian request for a loan. He quoted the President as writing: "You may rest assured that since the Government of the United States have explicitly expressed their readiness to help Persia, therefore your request will receive most careful consideration and will follow proper proceedings." After his return to Persia, Dr. Musaddiq had taken the matter up again, and received the following reply from the President: "The Executive Branch of the Government of the United States will not be able to justify before the American people and the Senate the kind of loan your Excellency has requested." Dr. Musaddiq interpreted this to mean that the United States Government wished to make it a condition of any such loan that the Persian Government should agree to Her Majesty's Government's proposals for settling the oil question. The

statement issued by the State Department on the 20th March, as reported in Washington telegram No. 703, denies this inference.

5. Dr. Musaddiq's references to the staff of the Anglo-Iranian Oil Company as spies and his refusal even to see them return to Persia are in sharp contrast with statements which he made last year welcoming their continued activity in the country. In his message to the company's staff of the 28th June, 1951, the Prime Minister said: "The Government and people of Persia are anxious to benefit as before from the services of all foreign experts, officials and workers in the various branches of the industry. The Government and nation wish the employment of these officials to continue with the same emoluments, privileges and pension rights and that all measures to encourage them may be taken so that they can continue even better than before in a spirit of calm and tranquillity the exploitation of oil. . . . Should you desire to continue your work in the oil industry in a spirit of loyalty it is clear that our country will welcome you warmly. . . ." (Tehran telegram No. 747 of 1951). In his speech to the Majlis of the 12th July, 1951, the Prime Minister said: "We did all that we could to continue the work of the ex-oil company. We engaged their experts with the same salaries and allowances." In conversation with Mr. Stokes, Lord Privy Seal, on the 5th August, 1951, Dr. Musaddiq said that so long as there were not sufficient Persian technicians available he would welcome foreign employees and would wish them to remain in the service of the Persian Government.

6. From the uncompromising tone of the Persian Prime Minister's address and of his reply to the Senate reported in my telegram No. 261 of the 19th March it is now evident that Dr. Musaddiq has made up his mind not to abate or modify his demand, so often declared, that Persia's oil industry must be run in accordance with the letter of his nationalisation laws, if indeed it is ever to operate again during his premiership.

7. I am sending a copy of this despatch to Her Majesty's Ambassador at Washington and to the head of the British Middle East Office, Fayid.

I have, &c.

G. H. MIDDLETON.

EP 15314/75

No. 27

VISIT OF AMERICAN JOURNALISTS

Mr. Middleton to Mr. Eden. (Received March 26)

(No. 89. Confidential)
Sir,

Tehran,
March 24, 1952.

I have the honour to report that a group of forty-six American journalists, who are making a rapid world tour, arrived here on the 17th March and left the following day.

During their brief visit they were received in audience by the Shah and addressed at length by the Persian Prime Minister.

2. Dr. Musaddiq's speech,⁽¹⁾ a translation of which is enclosed, was in the main the usual impassioned tirade against the

⁽¹⁾ Not printed.

**STATEMENT ISSUED ON APRIL 3 BY THE INTERNATIONAL BANK OF
RECONSTRUCTION AND DEVELOPMENT, REVIEWING THEIR
NEGOTIATIONS ABOUT THE PERSIAN OIL PROBLEM**

*International Bank for Reconstruction
and Development, Washington,
April 3, 1952.*

There have been no developments in the bank's negotiations in the Persian oil matter since the joint communiqué issued by the Persian Government and the bank's mission in Tehran on March 17, 1952. The bank's mission has returned to Washington and has made its report. The present status of the negotiations is that they are recessed, not terminated. The bank has informed the two member countries concerned, Persia and the United Kingdom, that it stands ready, as in the past, to assist in working out any practicable suggestion which offers a reasonable prospect of success.

Enclosure in No. 28

*Review of the International Bank's Nego-
tiations Concerning the Persian Oil
Problem*

April 3, 1952.

The oil properties of Southern Persia, now lying practically idle, were operated by the Anglo-Iranian Oil Company, the majority of whose stock is owned by the Government of the United Kingdom and the balance largely by British nationals. The original concession dated back to 1901. After a number of years of exploration important oil fields were discovered in Southern Persia, and eventually a refinery was built. The refinery was located at Abadan near the head of the Persian Gulf, in a semi-desert area of intense summer heat. By 1951, this refinery was the largest in the world with an annual production of some 22 million tons of various refined products. In addition over 7 million tons of crude oil were exported in 1950. At Abadan and in the oil fields serving Abadan, the A.I.O.C. employed over 60,000 persons, of whom over 2,000 were British. The establishment included not only the oil installations as such, but the services of power, water, roads, public health, housing and the like, for the refinery and the considerable municipality which grew up around the refinery. Communities of similar character, but on a small scale, exist at the principal oil fields.

A.I.O.C. operated until recently under the terms of the 1933 concession which was to run to 1993. In 1949, another revision was negotiated but was never approved by the Persian Parliament. Early in 1951 Persia adopted a law to nationalise the oil industry and later set up a national oil company to operate the properties. The British Government and the Anglo-Iranian Oil Company objected that the Persian action was illegal, and submitted the case to the International Court of Justice at The Hague, and subsequently to the Security Council of the United Nations. The Persian Government on its part took the position that the 1933 concession was illegal and that in any case neither the court nor the council had jurisdiction of the matter.

A company mission visited Persia in June 1951, in an attempt to settle the problem by negotiation, but without success. In August 1951, following the good offices extended by the United States Government through Mr. W. Averell Harriman, a second British mission headed by Mr. Richard Stokes, Lord Privy Seal, visited Persia, but again no agreement was reached. At the end of June 1951 the British employees of A.I.O.C. declined an offer of employment with the newly-formed National Iranian Oil Company. In September all remaining British staff were ordered by Persian authorities to leave Persia.

In October and November of 1951, Dr. Mohammed Musaddiq, Prime Minister of Persia, was in the United States to appear before the Security Council and spent some time in Washington in discussion with American officials. These discussions also proved fruitless. During Dr. Musaddiq's visit, suggestions were made from neutral sources that the bank might possibly assist in a settlement of this controversy between two of its members. The matter was discussed with United States Government officials, since they had been dealing with the problem, and they encouraged the bank to make its services available to the two parties concerned.

Mr. M. A. H. Ispahani, then Pakistan Ambassador to the United States, called on Dr. Musaddiq in Washington and suggested that the bank's good offices be enlisted. Dr. Musaddiq expressed an interest, and

Mr. R. L. Garner, vice-president of the International Bank, called on him on November 10, 1951. Mr. Garner, although expressing the bank's willingness to assist in the settlement of differences between two of its members, made it clear that the bank would avoid passing judgment on the merits of the controversy, and would be prepared to act only upon the invitation of both Persia and the United Kingdom. Mr. Garner outlined in general terms a possible procedure through which the bank might assist in restoring the flow of Persian oil. This plan embraced the following basic points:—

1. Under agreement with both of the parties, the bank would, for a limited period of time, say two years or less, set up a temporary management for the operation of the oil properties. The management would be responsible to the bank and headed by nationals of countries not party to the dispute.
2. The bank would arrange a contract for the sale of oil to the Anglo-Iranian Oil Company, on terms satisfactory to both parties. The terms would provide for part of the proceeds of sale to be held by the bank in escrow, pending final settlement.
3. The bank would undertake to see that necessary funds were provided for the resumption of operations, reimbursable from oil revenues.

The essence of the proposal was its interim character. The arrangement would be for a short period only. The bank would be acting as a neutral institution of which both parties were members and not in its own interest. The sum to be put into escrow would be large enough to cover, so to speak, the area of disagreement. This sum would be held undistributed pending a final settlement. Thus neither party would have to compromise any legal rights in order to permit an immediate resumption of the flow of oil and the revenues accruing therefrom, and an atmosphere could be created in which negotiations for a permanent settlement could proceed.

Dr. Musaddiq expressed his willingness to have the bank attempt to work out a solution which would be acceptable to all concerned. Mr. Garner accordingly advised the British authorities of his conversation with Dr. Musaddiq and asked them for their views on the bank's proposal.

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No definite reaction was received from the United Kingdom before Dr. Musaddiq's departure from Washington, but shortly afterwards Mr. Garner and Mr. Davidson Sommers, the bank's general counsel, had discussions in London with the Foreign Secretary, Mr. Anthony Eden, and other members of the British Cabinet and with officials of the Anglo-Iranian Oil Company. Mr. Eden expressed his interest in having the bank use its good offices in attempting to work out a specific proposal.

During the following weeks the bank concentrated on informing itself of the practical problems involved and of conditions in the oil industry in the Middle East and elsewhere. As an adviser, the bank obtained the assistance of Mr. Torkild Rieber, president of the Barber Oil Company and formerly chairman of the board of the Texas Company.

In the meantime the Persian Government announced its intention of selling oil after December 24, 1951, to any buyers who could be found. The A.I.O.C. repeated its warning to the public that it would take appropriate legal action against any purchasers of this oil.

In order to gather essential information regarding the physical condition of the oil properties, Mr. Rieber and Mr. Hector Prud'homme, a loan officer of the bank, visited Persia in January 1952 as guests of the Persian Government and, in company with Persian officials, made an inspection of some of the oil fields and of the refinery at Abadan. They found the properties in good order and reported that nothing in their physical condition stood in the way of a prompt resumption of production.

When in Tehran the bank's representatives delivered to Dr. Musaddiq a letter dated December 28, 1951, outlining the bank's understanding of the main points on which an agreement could be based, in accordance with the previous brief talks in Washington. Dr. Musaddiq's reply raised a number of questions about points in the bank's statement. Perhaps the most important of these related to the bank's freedom to employ British nationals. This exchange of correspondence was published in Tehran. The bank had, at the same time, addressed a similar letter to the British Government, who expressed themselves as being in general agreement, although they pointed out the need for further detailed examination of specific points.

At this point, there seemed to be general agreement that, except for the question of

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employment of British nationals, the bank's proposal offered a framework within which it might be possible to work out an interim agreement. Two points were accepted which were of some concern to the bank from a practical point of view: first, that the arrangement should include appropriate provisions protecting the bank's resources against risks not incident to its usual operations, for example, claims for damage to the refinery properties; and, second, that the bank's operating responsibilities would be confined to oil operations and necessary supporting services such as power, and that Persia should carry on other related services, such as housing, health, roads and education.

After the return of the bank's representatives, further discussions were held within the bank and with British authorities, including company representatives. The Government of the United Kingdom made it clear that it could not accept discrimination against British nationals as such. The company representatives gave the bank a range of prices for oil which the company, as purchaser, would be willing to discuss. Thereafter a bank mission headed by Mr. Garner and consisting of Mr. Rieber and Messrs. Prud'homme, Ellsworth E. Clark and Samuel Lipkowitz of the bank's staff went to Tehran, arriving on February 11, 1952.

In the first Tehran discussion with Dr. Musaddiq, Mr. Garner and his associates explained that the bank felt it would perform a useful service only if it restored oil operations at a reasonably early date and in volume sufficient to provide substantial revenues to Persia. This would mean recruiting rapidly a force which might build up to between 500 and 1,000 foreign technicians (the Persian technicians now in charge at Abadan had informed the bank that they estimated that over 600 foreign personnel would be needed). The bank felt unable to undertake the responsibility of operating the properties, and believed that A.I.O.C. would not make a contract for purchase of oil, unless there was reasonable assurance of efficient large-scale operations. The advice of the bank's oil consultant and other leaders in the oil industry was to the effect that, under existing conditions, no large number of qualified oil technicians would be available to go to Persia under employment contracts running for two years or less, and that it would be necessary to draw on some of the A.I.O.C. personnel in order to form the kind of integrated

organisation that would be needed to attain large-scale production within two years. As a further consideration, the bank thought it would be inconsistent with the bank's international character to agree to exclude the nationals of any one member from an operation carried on by the bank.

The bank's mission explained that all persons engaged in the operation would be employed by the bank and thus act as international employees, irrespective of nationality or previous employment, and pointed out that, under existing bank policy, no bank employee is permitted to interfere in the internal political affairs of any country. Dr. Musaddiq stated that he understood the bank's position, but asked the bank to recognise that under current political conditions his Government could not agree to the employment of any British nationals.

Since no agreement was possible on this point, the question was temporarily reserved, and discussions continued in Tehran for a number of days on other aspects of the proposed arrangement. Understanding in general terms was reached on a number of questions, but the positions on two other major points remained far apart.

First, Persia proposed that the bank should state that it would be operating the oil properties "for Persia's account." The bank, in its position of a neutral intermediary, could not agree to any language which could be construed to be an acceptance by the bank of the legal position of one member and a denial by the bank of the legal position of another. Mr. Garner therefore took the position that the bank was not prepared to make a statement. The bank, could of course, act only with the authorisation of Persia (as well as that of the United Kingdom) and, to the extent of Persia's interests, would be acting for Persia's account. However, it would be fundamentally inconsistent with the bank's neutral position for it to predetermine what these interests might be in the absence of a final adjudication or settlement between the parties to the dispute.

The second point concerned the price at which oil might be sold by the bank. The discussion indicated that the positions of Persia and the A.I.O.C. were far apart, not only in regard to the rate of discount to be allowed to the purchaser, but also in regard to the pricing formula to be used in dealing with refined products. In regard to the price question, of course, the discussion had to be carried on within the framework of

world-wide market conditions. The bank never had in mind that it could negotiate a sales contract except on terms which would be in line with those at which very large quantities of oil normally change hands in the world market. Although this principle appeared generally acceptable, there was wide disagreement as to its application in practice.

On February 20, 1952, Messrs. Garner, Rieber and Prud'homme left Tehran and went to London where for several days they explored further the positions of the British Government and the A.I.O.C. While the sales terms proposed by the Persians were unacceptable, there remained hope of arriving at an agreement of other issues could be settled.

Messrs. Garner and Rieber then returned to Washington and Mr. Prud'homme returned to Tehran.

The most recent phase of the discussions took place in Tehran, between March 5 and March 17. No progress was made towards a solution of the major problems outstanding; in fact new difficulties arose. Among these was a difference of view between Persia and the bank about the independence the bank would enjoy in operating the properties, particularly whether the bank would be subject to direction by the Persian authorities in the employment and discharge of personnel. New complexities also developed in regard to a Persian proposal that Persia should have an option to sell directly on world markets substantial quantities of crude oil and products.

In the absence of any progress in reconciling views on the major points at issue, it was mutually decided to adjourn the talks with the understanding that they could be resumed if it should later appear that a basis for agreement could be arrived at. A joint communiqué to this effect was issued on March 17, 1952. The bank mission has since returned to Washington.

Obviously, the present impasse is to the economic disadvantage of both Persia and

the United Kingdom. No oil is being exported from Persia. As a result Persia is suffering a substantial loss of Government revenues and of foreign exchange. In the markets supplied by A.I.O.C. it has been necessary, at a time of dollar exchange stringency, to substitute substantial amounts of dollar oil for oil formerly obtained from Persia.

The increase in world crude oil output outside Persia has been more than sufficient to offset the loss of Persia's production. The closing of the Abadan refinery created some shortages in certain refined products. These shortages are steadily being made up by expansion of refinery capacity elsewhere.

The bank is well aware that apart from the economic factors, of which some have been mentioned, important political considerations are involved on both sides. The bank, as an international institution whose concern is with economic rather than political matters, must scrupulously guard its neutral position, and must view the issue primarily as an operating and business problem. A large oil property, now standing idle, can be put rapidly into production only with an organisation welding together good management and skilled labour, and only if there is a market for the oil. The bank has from the first recognised the magnitude of the responsibilities that would be involved even in the most favourable circumstances. It could not engage in an operation of this technical complexity, with less than two years in which to achieve results, unless it could be assured of authority commensurate with its responsibility for conducting the operation efficiently, and the wholehearted agreement and co-operation of the parties concerned.

The bank has informed its two members that it stands ready, as in the past, to assist in working out any practicable suggestion which offers a reasonable prospect of success.

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No. 29

NOTE FROM THE PERSIAN MINISTER FOR FOREIGN AFFAIRS TO HER MAJESTY'S CHARGÉ D'AFFAIRES

Tehran,

April 9, 1952.

M. le Chargé d'Affaires,
I have the honour to acknowledge the receipt of letter No. 26 of the 28th Isfand 46255

1330 (19th March, 1952) and to state that in my letter of the 29th Dai 1330 (20th January, 1952) No. 6507 addressed to His Excellency Sir Francis Shepherd, Her

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Majesty's Ambassador, I had clearly and in detail given the reasons prompting the Imperial Persian Government to close down the British Consulates in Persia. It was believed that the British Government authorities having learned of the reasons for adoption of the above decision would not find it necessary to raise the question again. I now consider it necessary to add the following in reply to the letter under reference:

The greater part of the above letter has been dedicated to interpreting and justifying the documents showing the interferences of British Consular officers, which were enclosed in my letter No. 6507. A study of the letter reveals that the British Government authorities do not deny the interference of their officials in the internal affairs of Persia, except that they justify the act by saying that these interferences were not "improper" but were "in keeping with conditions then prevailing" or "helped the maintenance of Persia's independence and internal security." My Government takes notice of the British Government's confession of these interferences and as regards the justifications which they make for them so as to represent the above mentioned interferences as proper, I wish to state that such explanations are completely remote from the true facts and are entirely unacceptable. The Imperial Persian Government can never allow the officials of any Government to interfere in the internal affairs of this country whether they justify their acts in such a way or by other explanation.

As regards the dates of the documents forwarded, you are already aware, as I pointed out in my letter, that interferences by British officials have been continuing uninterruptedly for about a century and that for this reason the forwarded documents had been selected as specimens from various periods. The Imperial Government regret the statement by the British Government justifying the act of their Consular officer in Khorramshahr of last summer, which was undoubtedly prejudicial to the friendly relations between the two countries.

I also need to add that the said interferences were not confined to the Consular officers but that Her Majesty's Embassy in Tehran have always been the centre and the origin of such improper interferences, and that the innumerable British Consuls in the provinces of Persia followed in the steps of the Embassy. In view of the statement contained in the last paragraph of your

letter that Her Majesty's Government are confident that the Government of Persia is unable to furnish documentary proof of their accusations concerning the interference of British officials in the internal affairs of Persia, I find it necessary to enclose herewith as further specimens, in addition to those already forwarded to you, the facsimile of nine other documents the original copies of which are existent and bear the signatures of the diplomatic officers of the British Government. In studying them you will see that in one of the letters instructions have been given to the Persian Prime Minister regarding the appointment of the Minister of Foreign Affairs and in another letter it has been required that the post of a Minister should be given to one of the personalities of the time. Other letters concern the appointment of some particular persons as Persian Government's commissioner at the Imperial Bank or as Provincial Agent of the Ministry of Finance in an important Ustan. Another letter is related to the British Embassy's interference in relations between the Government and certain religious authorities of the time and finally a further letter concerns the payment of a 400,000 Tomans bribe to certain personalities influential in the conclusion of the nullified Agreement of 1919. Are these not interferences in the internal affairs of Persia?

Regarding the Treaty of 1857 also I had given the general views of the Imperial Government in my letter No. 6507. I wish now to reiterate in brief that this Treaty was imposed on the Persian Government and nation ninety-five years ago following certain deplorable events, and that there remains now no further grounds for its usage in view of the great changes that have taken place during the last century, particularly as the questions involved in most of its articles no longer exist. Moreover Article IX of the Treaty and the most favoured nation clause contained therein exclusively concerns the treatment to be given by the Persian Government to Her Majesty's Consular representatives; it in no way grants to the British Government the right to establish Consular representatives in Persia wherever it wishes. The opening of Consulates depends, according to international rules and principles, on the circumstances in each place and the actual requirements of the requesting Government as well as the agreement of the Government to whom the request is made. The decision on this matter in Persia lies solely with the Persian Government. The Persian Govern-

ment will never submit to a sinister arrangement whereby any Government would be allowed to establish so-called Consular representatives in Persia wherever it liked and to interfere through them in the internal concerns and affairs of Persia.

The enclosures to this letter are:

1. Photostat copy of a letter dated the 2nd November 1920, from Mr. Norman, the then British Minister to the Persian Prime Minister concerning the post of Acting Minister of Foreign Affairs and the grant of the post of Minister to one of the personalities of the time.
2. Photostat copy of a letter dated the 12th November, 1920, from Mr. Norman, British Minister, to the Persian Prime Minister, recommending to him one of the personalities of the time.
3. Photostat copy of letter of the 29th November, 1920 from the British Embassy, signed by Haig concerning the Persian Government's commissioner in the Imperial Bank.
4. Photostat copy of a letter dated the 29th November, 1920, from Mr. Norman, British Minister, to the Persian Prime Minister, concerning the 400,000 Tomans paid to some influential personalities for the conclusion of the annulled pact of 1919.

5. Photostat copy of a letter dated the 6th November, 1920, from the British Embassy, signed by Mr. Smart, concerning intervention in the elections of Mozandaran.
6. Photostat copy of a letter dated the 16th November, 1920, from the British Embassy, signed by Mr. Smart, regarding the British Embassy's intervention in the Government's relations with some of the (Muhammadan clergymen).
7. Photostat copy of a letter dated the 25th December, 1920, from the British Embassy, signed by Mr. Howard, concerning intervention in the affairs of Persian tribes and recommendation of one of the Bakhtiari Chiefs.
8. Photostat copy of a letter dated the 7th January, 1921, from the British Embassy, signed by Mr. Smart, concerning the appointment of a Head of Finance Department in Fars.
9. Photostat copy of a letter dated the 19th April, 1917, from Major Lorimer, British Consul in Kirman, addressed to the Governor-General of Kirman, concerning the maintenance of the deputy Governor of Sirjan.

With sincere sentiments,

BAQIR KAZIMI.

EP 1192/13

No. 30

COPIES OF LETTERS EXCHANGED BETWEEN THE UNITED STATES AMBASSADOR AND THE PRIME MINISTER OF PERSIA ON THE SUBJECT OF AMERICAN MILITARY AID

Dr. Musaddiq to Mr. Henderson

(No. 1814).

Mr. Ambassador,

Tehran,

April 24, 1952.

Pursuant to our oral conversations, I find it necessary to inform your Excellency that: my Government, in view of its financial and economic situation, welcomes the assistance which your Excellency's Government is prepared to extend to this country; Persia supports and defends the principles of the Charter of the United

Nations to the extent that its resources and general conditions permit; it is also doing what it can to strengthen its defensive capabilities; and if it should be attacked from any direction, it shall defend its freedom and independence with all its might.

I avail, &c.

DR. MOHAMMAD MUSADDIQ,
Prime Minister.

Mr. Henderson to Dr. Musaddiq

Excellency, *Tehran, April 24, 1952.*
I have received your Excellency's note to me of April 24, 1952, and take pleasure in informing your Excellency that I am

apprising the Government of the United States of its contents.

Accept, &c.

LOY W. HENDERSON.

Ambassador of the United States of America.

EP 1192/7

No. 31

AMERICAN MILITARY AID TO PERSIA

(1)

Mr. Eden to Sir O. Franks (Washington)

(No. 1765. Confidential). *Foreign Office.*
(Telegraphic). *April 28, 1952.*

Tehran telegrams Nos. 321 and 322:

This announcement is deplorable. I have no objection in principle to United States military aid to Persia since I think it important that the Persian army should be strengthened. But I had naturally expected to be kept informed in advance of developments on a matter which must have considerable political importance. I had understood negotiations for continuation of United States military aid to Persia had been suspended owing to Musaddiq's refusal to give the necessary guarantees. The timing of the present announcement could not have been more unfortunate in view of the reopening of the Majlis. But worse than this is acceptance of Musaddiq's insistence on deletion of the word "military" in his note to the United States Ambassador, particularly in the context referring to Persia's financial and economic

situation. According to reports from Tehran the impression has already been given that Musaddiq is receiving substantial American support and that he has scored a great personal victory.

2. This kind of thing makes it impossible for me to maintain in public that there is close Anglo-American consultation on Middle East policies. The least the State Department can do is to make it absolutely clear both in Washington and Tehran that the assistance in question is military assistance, to publicise the undertakings which Persia has given in return and to make it clear that United States position as regards financial assistance to the Persian Government is still as explained in the statement issued by the State Department on 20th March. [Your telegram No. 703.]

3. Please speak to the State Department urgently in this sense. I have spoken in strong terms to the United States Ambassador here.

(2)

Sir O. Franks to Mr. Eden (Received 29th April)

(No. 895). *Washington,*
(Telegraphic). *29th April, 1952.*

Your telegram No. 1765: American military aid to Persia.

We have spoken to the State Department on the lines of your telegram. They have not yet received anything from the United States Embassy in London.

2. As regards timing, they said that this was not in their hands since it had been open to Musaddiq ever since January to accept American military assistance at any moment by writing the necessary letter.

As regards giving us advance warning, they could only plead that the last stages of negotiation had gone extremely fast in Tehran and that they had themselves been taken rather by surprise. They had satisfactory answer as regards acceptance of letter in such misleading terms. The statement they had issued here put the facts clearly, (text in my immediately following telegram), but they had already received a report from Tehran to the effect that Musaddiq was trying to give the impression that the help he was going to receive was

something far more important than the continuation of military assistance, and even before our representations they had felt that they would have to say something more. In view of what we said they would now consider this with all the more urgency. We emphasised the harm done to the feelings of mutual confidence which

had been growing up between us with regard to Persia and urged them to put out a statement quickly and to make it as explicit as possible. We also suggested that they might reply to Musaddiq's letter making it clear what assistance he was getting, and have their note published in Tehran.

(3)

Sir O. Franks to Mr. Eden (Received 29th April)

(No. 896)
(Telegraphic)

Washington,
29th April, 1952.

Following is text of State Department press release 25th April:—

"Following an exchange of notes on 24th April, 1952 between the Prime

Minister of Persia and the Ambassador of the United States to Persia, it has been decided that military assistance from the United States to Persia should be continued. Shipments of military supplies by the Government of the United States will be resumed as soon as possible."

EP 1015/111

No. 32

REVIEW OF THE ACTIVITIES OF THE TUDEH PARTY

Mr. Middleton to Mr. Eden. (Received May 9)

(No. 134 S. Confidential)
Sir,

Tehran,
May 3, 1952.

I have the honour, in continuation of my despatch No. 74 of the 10th March, to send you herewith a review of the activities of the Tudeh Party (the illegal Communist Party of Persia) during the months of March and April.

2. Labour Day, the 1st May, passed off without incident in Tehran. The Military Governor and the Chief of Police had both issued stern warnings against manifestations, and civil and military police patrolled the streets in force. Rather half-hearted attempts to hold some meetings were made, but the gatherings were easily dispersed by the police without serious use of force.

3. Though the Tudeh Party has suffered some reverses during the period under review, there is nothing to show that there has been any notable falling off amongst its supporters or indeed any significant slackening in the rate of its development. While it is probable that, as a result of the limited action they have been permitted to take

under conditions of martial law, the security authorities are now in a better position to enforce effective measures against the Tudeh Party than they were before, there is still no sign that the Persian Government intend to give full effect to the existing anti-Tudeh laws, much less to countenance any extension of them. And while it is evident that the Government has continued to lose popular support during the period under review, the Tudeh Party has not relaxed its efforts to capture this support and organise it to its own profit. In this it has had the field mainly to itself, and with the advantage of a steadily-developing organisational machine it can hardly fail to have achieved some success.

4. I am sending a copy of this despatch to Her Majesty's Ambassadors at Washington, Moscow and Bagdad and to the Head of the British Middle East Office, Fayid.

I have, &c.

G. H. MIDDLETON.

STATEMENT ON THE FINANCIAL POSITION OF THE PERSIAN GOVERNMENT

Mr. Walker to Mr. Eden. (Received May 22)

(No. 153 E. Confidential) Tehran,
May 19, 1952.

Sir,
With reference to Mr. Middleton's despatch No. 85 E. of the 22nd March regarding the Persian Government's finances, I have the honour to transmit to you herewith a statement⁽¹⁾ showing the Government's cash position for the Persian year 1330, ended March 20th last. The statement is based on preliminary information obtained by the United States Embassy from the Ministry of Finance.

2. During the year 1330 the actual cash expenditure for ordinary budget operations was 8,700 million rials compared with 7,545 million rials in 1329 and 7,195 million rials in 1328. In addition, when the Anglo-Iranian Oil Company finally withdrew, the Government was saddled with the heavy extraordinary expenditure arising from wage and other payments connected with the oil industry. The monthly deficit on oil operations varied between 100 and 120 million rials and for the entire year Government payments on this account amounted to more than 1,100 million rials. There was also the customary deficit of over 300 million rials on grain operations but payments to the Seven-Year Plan Organisation, which had hitherto been drawn entirely from oil royalties, were reduced to 570 million rials. The total cash expenditure reached the high figure of 10,870 million rials.

3. As regards revenue the Government not only lost the income from oil but ordinary receipts produced less as business activity was reduced and customs collections began to fall towards the end of the year owing to shortage of exchange for financing imports. For the year 1330 as a whole revenue from ordinary sources was 1,000 million rials less than in the previous year (6,530 million rials as against 7,545 million rials). The difference of 4,500 million rials between ordinary receipts and total expenditure was covered by a variety of expedients the financial results of which are indicated in the enclosure⁽¹⁾ to this despatch. The main item is 1,220 million rials derived from the

conversion of £14 million from the currency reserve. Increase in indebtedness to special funds and the sugar monopoly accounts for 780 million rials, proceeds of the National Loan for 450 million rials, and profits on exchange sales and on sugar operations for 550 million rials. The amounts obtained by drawing on the Pension Fund, indirect loans from the Bank Melli and by the conversion of International Monetary Fund dollars and of Government exchange balances confirm reports submitted previously in this connexion.

4. Although the Government managed to meet by the end of the year 1330 almost all the salary and wage payments then due, this was only achieved at the expense of increasing still further the indebtedness to contractors and others. No information is yet available regarding the actual increase in the Government's unfunded obligations over the whole year.

5. The Government now faces a continuing monthly deficit of 250 to 300 million rials in ordinary budgetary accounts. The Ministry of Finance estimates the minimum monthly commitments at 800 million rials and current income from ordinary sources at 500 million rials for the next few months with a tendency to decline gradually later as imports and customs dues fall off. The Seven-Year Plan Organisation may be able to finance its reduced operations for some months from profits on the sale of sugar, but the National Iranian Oil Company will continue to call on the Government for about 100 million rials a month to meet the deficit on its operations and the grain and opium monopolies may require some repayment of the advances made to the Government in recent months if they are to carry out their full programme of purchases during the coming harvest. The total monthly deficit is therefore likely to be between 350 and 400 million rials with little prospect of appreciable reduction either by economies or by increased revenue as a result of any additional taxation that might be imposed.

6. Scarcely any of the variety of sources of extraordinary revenue used in 1330 will be available in 1331. The Government's

⁽¹⁾ Not printed.

balance of foreign exchange is now almost negligible; further borrowings from special funds and semi-autonomous Government organisations do not seem possible; nor is the prospect of any further advance of dollars from the International Monetary Fund promising while the experience with the first issue of National Bonds was not sufficiently satisfactory to encourage a further attempt in this direction. Almost the only source left is the Bank Melli which has been showing growing resistance recently to indirect borrowing by the Government. As reported in my despatch No. 145 E. of the 12th May the acting-governor of the Bank Melli refused to provide further accommodation of this kind and proposed instead a self-funding operation by increasing the Government's profit on exchange. This device may carry the Government through until about the end of June and if, as seems probable, the Bank Melli's cash position is still fairly satisfactory, the Government might succeed in inducing the bank to provide further funds by indirect

means for budget financing, if the Government has not sought and obtained legislative approval for increased direct borrowing from the Bank Melli with or without an expansion of the note issue. Indeed it is quite conceivable that the Government may yet contrive to meet, under elastic Persian conditions, its most pressing commitments, especially salaries and wages, for another two months at least without much delay, and without special measures requiring Majlis sanction.

7. I am sending copies of this despatch to Her Majesty's Ambassador at Washington, the Head of the British Middle East Office at Fayid, the Treasury Representative at Cairo, the Development Division of the British Middle East Office at Beirut, the Lords Commissioners of Her Majesty's Treasury, the Assistant Secretary, Commercial Relations and Exports Department of the Board of Trade, and to Export Credits Guarantee Department.

I have, &c.

JOHN WALKER.

FURTHER DETAILS OF SOVIET-PERSIAN OIL NEGOTIATIONS

Mr. Walker to Mr. Eden. (Received May 22)

(No. 156 E. Confidential) Tehran,
May 20, 1952.

Sir,
With reference to my telegrams Nos. 361 and 366 of the 14th and 16th May respectively, I have the honour to inform you of further details of the Soviet-Persian oil negotiations, which have been received from the same source.

2. It now appears that the recent initiative came from the Persian, and not the Soviet, side. According to our informant, some members of the Persian delegation to the Moscow Conference, said to be Dr. Matin Daftari and Mr. Abbas Mas'udi, on their return told Dr. Musaddiq that the Russians had been particularly friendly at the conference, but had complained about the Persian attitude towards Soviet trade, and had shown interest in purchasing Persian oil. The Russian Trade Delegation in Tehran, as reported in my telegram No. 361, had already expressed an interest in oil. At a meeting on the 12th May, the Cabinet decided to propose to the Soviet trade negotiators that oil be included in the list of commodities to be exchanged under a

new trade agreement. As far as I know, no details or conditions were decided upon at this stage. The next day Dr. Amini, the Minister of National Economy, sent for the Russians and told them of his Government's decision. Dr. Amini had a letter which he said he would pass to the Russians, as soon as they agreed to the Persian proposal and gave him a letter in return. Dr. Amini then left for Germany, as reported in a separate despatch.

3. At a later Cabinet meeting the Prime Minister proposed that the four conditions in Tehran telegram No. 366 be put to the Soviet negotiators, and the Cabinet agreed, adding that nothing should be given to the Russians in writing at the moment.

4. On the 17th May, when the Persians and Russians met again, the latter objected to the condition about delivery being made at Abadan and Bandar Mashur only. They apparently argued that other Persian goods were delivered at the Persian frontier, and that the same should be done with oil. They proposed that it should be delivered by rail to Bandar Shah on the Caspian.

The Persian negotiators said that this was impossible and would, in any case, be far too expensive.

5. The Persian statement is undoubtedly true. At the moment the State Railways already seem to be carrying as much oil as they can, in order to reduce transport by road to the minimum, and it is unlikely that there are any rail-tankers not in constant use. If oil, even in small quantities, were to be delivered to Bandar Shah, the longer turn-round of the rail-tankers would almost certainly dislocate the internal distribution of oil supplies. Transport by rail to Shanrud and then by road would run up against the same difficulty. Some two years ago the Anglo-Iranian Oil Company (A.I.O.C.), because of the inability of the railways to move sufficient oil products from the south and the consequent threat of shortages in the north, took special measures to increase the oil-lift by using private road-tankers as far as Qum. At one stage the A.I.O.C. hired some 200 private road-tankers, supplying them with tyres and the necessary spares, as well as tanks in some cases, but even so were only able to move a maximum of some 7,000 tons a month in this way. The road-tanker fleet of the A.I.O.C., now operated by the National Iranian Oil Company, is finding it difficult enough to carry out its normal work of internal distribution, and most private tankers are either laid up or have been converted for carrying ordinary freight; they could not be put into operation without delay, especially as many of them require to be equipped with tyres. Even if the Persians were to speed up the turn-round of rail-tankers and deliver oil by rail to Qum and on by road, it seems reasonable to assume that 5,000 tons per month, and probably even less, would be the maximum which they could deliver to the Soviet Union.

6. According to our source, the Russians were annoyed when the Persians said that rail delivery would be impossible. The Russians were also said to have objected, but not so strongly, to the prices proposed by the Persians. At the end of the meeting,

the Soviet trade negotiators went away saying that they would consider the Persian proposals. The Cabinet were given a report on developments the same day and were said to have been relieved when they heard of the Soviet reactions. No date has yet been fixed for the next meeting between the Persians and the Russians.

7. Further questioning of the source makes the Cabinet's and Dr. Musaddiq's attitude towards this question more obscure than it first seemed. They are aware of the implications of the United States Battle Act but, as far as one can see, seem to think that the United States might not immediately cut off United States assistance to Persia if an oil agreement were signed with the Russians or even, it seems, if oil were delivered.

8. The United States Embassy have also been given very confidentially by the same source the essential parts of the information given to us. They said that the Persians were informed some time ago of the implications of the Battle Act, and that a copy of the Act has been given to the source, at his request, and its implications explained once again. The United States Embassy do not yet seem to have reached an agreed view on their attitude towards a possible oil agreement with the Soviet Union, as far as the Battle Act is concerned. The source suggested to them that 500,000 tons of oil in a year was not a large amount and that the United States Government might possibly overlook it. The source has told us that Dr. Musaddiq made a similar remark at the last Cabinet Meeting, and this suggestion has probably been put to the Americans to see how they react.

9. We are keeping in touch with our source and any significant developments will be reported.

10. I am sending copies of this despatch to Her Majesty's Ambassadors at Washington and Moscow (together with copies of telegrams No. 361 and 366) and the Head of the British Middle East Office at Fayid.

I have, &c.

JOHN WALKER.

EP 1192/21

No. 35

SOVIET PRESS REPORT OF A SOVIET GOVERNMENT COMMUNICATION TO THE PERSIAN GOVERNMENT PROTESTING ABOUT THE ARRANGEMENTS MADE BY THE PERSIANS FOR THE SUPPLY OF MILITARY AID FROM THE UNITED STATES

Moscow,

May 23, 1952.

In connexion with the exchange of letters which took place at the end of April 1952 between Dr. Musaddiq, Prime Minister of Persia, and Mr. Henderson, United States Ambassador in Persia, on the question of the affording by the United States of so-called assistance to Persia, the Ministry of Foreign Affairs of the Union of Soviet Socialist Republics has the honour to communicate to the Government of Persia the following.

It is evident from the above-mentioned exchange of letters that an agreement has been reached between the Governments of Persia and the United States for the affording to Persia by the United States of military and financial assistance and that the Government of Persia, in its turn, has undertaken specific obligations of a military and political character.

It is evident from reports in the Persian press and also from statements by representatives of the Persian Government and the Government of the United States that in connexion with this agreement the Persian Government has undertaken to resume the contracts with American military advisers in Persia. This was confirmed in official statements on April 27 this year by the Minister of Railways of Persia, Bushehri, on one hand, and on April 25 by the United States Assistant Secretary of State, McDermott, on the other. It is well-known also that the American Military Mission, which ceased

its activity in January this year as a result of an exchange of letters between Dr. Musaddiq and Mr. Henderson, has again resumed its work; moreover the Agreement between the United States and Persia of May 23, 1950, concerning military assistance and an American military mission in Persia has also begun to operate again.

Thus, as a result of the above-mentioned exchange of letters and the resumption of the operation of the Persian-American military agreement, the Persian Government is placing the Persian army under the control of the Government of the United States. The Persian army thereby loses the character of a national army of an independent, sovereign state.

The Soviet Government considers it necessary to draw the attention of the Persian Government to the fact that, by agreeing to accept the so-called American assistance and, in connexion with this, taking upon itself in regard to the United States specific obligations of a military character, the Persian Government is in fact embarking on the path of assisting the Government of the United States in the implementation of its aggressive plans directed against the Soviet Union.

Such actions by the Persian Government cannot be regarded otherwise than as actions incompatible with the provisions on good-neighbourly relations, the maintenance and strengthening of which is the duty of the parties which signed the Soviet-Persian Treaty of February 26, 1921.

EP 1192/24

No. 36

SOVIET GOVERNMENT ATTACK ON ARRANGEMENTS FOR THE SUPPLY OF AMERICAN MILITARY AID TO PERSIA

Mr. Middleton to Mr. Eden (Received May 29)

(No. 164. Confidential)

Tehran,

May 27, 1952.

The news that Moscow radio had broadcast the contents of a note⁽¹⁾ handed to the Persian Ambassador in Moscow reached

Tehran on the morning of Thursday the 22nd of May. I have no authoritative text but a version in French published in the *Journal de Tehran* of the 25th May is enclosed.⁽²⁾

⁽¹⁾ For text of Soviet Note, see text provided by Moscow.

⁽²⁾ Not printed.

2. As will be seen, the Soviet Government attack the arrangements recently concluded between the American and Persian Governments for renewing the supply of military aid to Persia; they assert that Persia has thereby entered into specific military and financial obligations towards the United States Government and has engaged herself to renew the contract of the United States Military Mission; from this they derive the allegation that the Persian Government have put their army under American control and are thus assisting the United States to realise their plans of aggression against the Soviet Union. The note concludes that this policy of the Persian Government is not in harmony with the relations established between Persia and the Soviet Union by the Treaty of the 26th February, 1921.

3. This *démarche* has evidently come as something of a shock to the Persian Government and public (and, it is rumoured, to the Soviet Embassy here). There has not yet been any official comment: the Government spokesman has merely said that the Persian Ambassador telegraphed the fact of the note's delivery and that the text has been sent by airmail. The Government would await the full text before preparing their reply. Press comment has so far been relatively sparse: I enclose a brief summary⁽¹⁾ of what has been published.

4. It is not immediately clear what the motives behind this note, and the timing of its delivery are. Certain Persians with whom we have spoken are inclined to regard it as no more than a preliminary step in the campaign for the renewal of the Caspian Fisheries Concession, which expires at the end of the year; the Soviet Government will expect the Persian Government to re-iterate its feelings of friendship and desire for close relations with the Soviet Union, and will demand, as proof of these professions, the continuance of the concession in its present form. In my opinion this is far from being the whole explanation. I doubt whether the Soviet Government would from this motive alone have addressed such a weighty note which was delivered I understand by M. Vyshinsky in person, and which goes out of its way to make ominous allusion to the Treaty of 1921. Moreover it is the first note of political substance which the Soviet Government have sent to the Persians since 1949.

5. I think that the primary motive of the Soviet Government is likely to be the

obvious one, namely to disrupt the programme of American military assistance. The Persian Prime Minister has been reluctant, despite pressure from the State Department, to renew the two-year contract of the United States Military Mission which recently expired: he has said that the question must await the decision of the 17th Majlis, which is not yet functioning. Faced with this Russian note, the Persian Government may well decline to take what the Soviet Union considers a provocative act in renewing the contract. Furthermore, the Soviets may hope to hinder the flow of military stores and equipment to Persia, which has recently been resumed after the exchange of letters between Dr. Musaddiq and the United States Ambassador (enclosed in my despatch No. 117 of the 28th April). The Persian Prime Minister in his letter, did not, as alleged by the Soviet Union, enter into any specific military or financial obligations. Indeed he gave the very minimum of assurances in the most general terms, that would enable the United States Government to afford free military aid to Persia. It is possible that the Russians hope that Dr. Musaddiq, to excuse himself from the Soviet accusations, will still further whittle away his assurances and thus make it difficult for Congress to approve the supply of military aid. I might add here that the statement of the Persian Government's spokesman, Mr. Bushiri, of the 27th April, does not bear the interpretation placed on it in the Soviet Note. Mr. Bushiri is reported as saying "the American military advisers will remain in their posts until the government has taken a final decision concerning them."

6. This explanation accords with what we know of the Soviet attitude to recent developments in Persia. The Soviet Union have watched, not without satisfaction, the Persians nationalise the oil industry and refuse to come to any agreement with the Anglo-Iranian Oil Company or Her Majesty's Government which would enable the southern oil-fields to continue operations; and they will not have been displeased at the other anti-British manifestations of Persian nationalism and xenophobia such as the closure of British Consulates and the expulsion of press correspondents &c. It has been Soviet policy to lie low and say or do nothing which would attract public attention or re-awaken the centennial fear of the Russian bogey. But Soviet delight at our own discomfiture will have been largely

(1) Not printed.

offset by dismay at the increase of American influence in this country, exercised through the agencies of the Military and Gendarmerie Missions and the Point Four organisation. The Soviet Ambassador is reported in fact to have told his Persian confidants that the Soviet Union was not concerned at the British position in this country, and deprecated the failure of the oil negotiations; what the Soviet Union disliked most of all was the fact that the Americans were being allowed to take our place. The Soviet Government possibly considers that the process has gone too far and must now be reversed.

7. It is likely, in my view, that this Soviet action (which may be only a first step) will achieve its aim, at least in part, and cause the Persian Government to make further difficulties for the United States Military Mission, or even to make it impossible for them to continue. This *démarche* may however have other consequences not unwelcome from our point of view. It is likely to weaken the position of Dr. Musaddiq and his government; above all, it will remind thinking Persians that they must conduct their foreign policy on two fronts, and that, the fundamentals of Russian-Persian policy being unchanged, they cannot afford to weaken to the point of destruction the influence of the West which traditionally counter-balances Russian pressure. Whether the West appears in British or American guise is on the whole immaterial to the Persians. The great expansion since the war of American influence in Persia has given her another way of exercising her traditional policy of playing off one power against another; if now in deference to Russian pressure the Persian Government feels obliged to give the Americans a cooler reception, the consequence may well be that they will show more willingness to regularise their

relations with Her Majesty's Government. In saying this I should not like it to be thought that I should welcome a diminution of American influence in Persia as a condition of the increase of our own (for it is the Americans not we, who are in a position at present to afford Persia the financial and military aid which she undoubtedly needs); rather I suggest that the Persians may well compensate any concessions they make to Russian representations by equivalent concessions to the "West."

8. I had an opportunity this morning of discussing this question with the United States Ambassador. This discussion does not lead me to modify any of the views expressed above. The Shah, however, has taken the opportunity provided by the Soviet Note to point out to Mr. Henderson the inadequacy of United States military aid to Persia, particularly when compared with that afforded to Greece and Turkey. The Shah's argument is that Persia has endangered her relations with the Soviet Union by accepting United States military aid, and that this aid should consequently be adequate to compensate Persia for these strained relations with her northern neighbour.

9. If the Soviet note frightens the Persian Government into refusing to accept United States military aid this is likely to cause discontent in the Army. This would further advance Soviet aims, as the Army is at the moment the only force capable of preventing widespread disorders, should the Soviet Government wish to inspire these through the Tudeh party.

10. I am sending copies of this despatch to Her Majesty's Ambassadors at Moscow and Washington and to the Head of British Middle East Office at Fayid.

I have, &c.

G. H. MIDDLETON.

EP 1539/41

No. 37

REPORT ON THE PERSIAN PRIME MINISTER'S DEPARTURE FOR THE HAGUE

Mr. Middleton to Mr. Eden. (Received June 10)

(No. 175. Confidential).

Tehran,
June 3, 1952.

Sir,
With reference to my telegram No. 385 of the 28th May I have the honour to report some details of the Persian Prime Minister's departure for The Hague, and a brief survey of the salient points of the situation which he has left behind him.

46255

2. At 4 a.m. on the 28th May Dr. Musaddiq, flanked on either side by the Chief of Police and the Military Governor of Tehran, slipped away from his private residence and made his way by an unusual route to the airfield. Only a few intimate friends knew his plans and at dawn he was already installed in the K.L.M. aircraft

E

which had stood all night in the glare of searchlights guarded by special police and military detachments. No doubt he only then felt himself safe from the assassin's bullet of which he is said to go in constant dread.

3. Long after this a few of the faithful began to arrive. Apart from ministers, officials and such prominent members of the National Front as Messrs. Makki, Shayigan, Muazami, Bazargan and Zirkazadeh there were few people present at the airfield—not more than two or three hundred; and such was the stringency of the police precautions that the would-be demonstrators from the Persian and Toilers Party were not permitted inside the cordon. It is notable that not one senator was present.

4. As reported in my telegram under reference none of the four senators invited accompanied Dr. Musaddiq. It has been the policy of the Senate recently to avoid assuming any responsibility for Dr. Musaddiq's "mission" to The Hague, and this explains the Senators' withdrawal. The Senators were not prepared to travel on the strength of Dr. Musaddiq's invitation alone. As Senators they are independent of the Government, and they considered that if they were to make such a journey, of a clearly official character, the constitution demanded the issue of a royal "firman." This did not coincide with Dr. Musaddiq's wishes and he was not prepared to ask for the royal decree. This disagreement which has been closely followed by the press, is a significant symptom of the Senate's opposition to Dr. Musaddiq.

5. The circumstances of Dr. Musaddiq's departure for The Hague are in sharp contrast with those prevailing when he left for the United States of America in October 1951 to be the champion of his country's cause before the Security Council. Then he left amid signs of popular acclamation and nationalist fervour; his progress to the airport was almost a triumphal procession, for which the bazaar offered (but later thought better of it) to cover the road with carpets. Now he has left almost furtively, boycotted by the Senate, and most people doubt whether his "mission" will be successful. Dr. Musaddiq does not himself seem any too confident, to judge by his tearful farewell message which I reproduce in Enclosure 1.⁽¹⁾

6. The manner of his going reflects the great deterioration of his position over the last eight months. The suspension of the

elections, and the prolongation of martial law in some provinces and in the capital itself are evidence of weakness. The economic and financial position of the Government continues to deteriorate gradually, although there is no evidence that it is yet on the brink of a crisis. The future of American military aid and of the United States Military Mission is in some doubt, to which the Soviet Note has contributed. Moreover, since last October, when Dr. Grady had just been replaced by a new American Ambassador, Mr. Henderson, great progress has been made in arriving at a common Anglo-American appreciation of the situation in Persia and in co-ordinating our policies. Although this has been made as clear as possible by statements in London and Washington, it is a development which the Persians find difficult to believe—because they do not wish to do so. Finally relations with Turkey, Iraq, France (over Tunisia) and other countries are far less cordial than formerly and Persia is diplomatically more isolated than at any recent time.

7. Dr. Musaddiq has resorted to various devices to reassert his wavering hold on public opinion. He has caused indirect approaches to be made to this Embassy with a view to reopening direct negotiations on the oil question, as I have already reported, and let it be generally thought that he is about to resume direct negotiations. He has tried to make capital out of the alleged economic difficulties which the United Kingdom is experiencing owing to the loss of Persian oil, and the cancellation of many air services as a result of the American oil strike has been eagerly seized upon in support of this contention. Dr. Musaddiq has also made some play with the further revelations he promises to make at The Hague, supported by documents, of the extent of alleged British interference in Persian internal affairs. Various steps have been taken to encourage the popularly held belief that he enjoys the support of the American Government; the activities of the Point Four experts are given considerable publicity, and Mr. Makki and Dr. Fatimi have accepted invitations to visit the United States. The recent visits of prominent American officials such as Mr. Byroade and Admiral Hughes have contributed to the belief of at least tacit American sympathy which is prevalent among all classes of Persians. The latest story is that, if all else fails, Dr. Musaddiq will appeal to Queen Juliana personally to

⁽¹⁾ Not printed.

mediate in the dispute. If this is true, it demonstrates once again the Persian Prime Minister's determination to keep in power by any and every means open to him.

8. While the Senate is in principle opposed to the Government it is unlikely to take any action to overthrow the Government before the Shah actively and explicitly approves. The Shah persists in his chronic state of irresolution and it is open to doubt whether he will make any effective intervention at any stage at all. Although the Majlis was officially constituted on the 29th May, when a sufficient number of credentials had been approved, it is not yet ready for work as the President and other officers have yet to be elected. A decision has still to be taken on 18 of the 22 credentials which were referred to the Majlis commission and debates on these credentials showed every sign of being protracted. My estimate is that a considerable number of deputies, perhaps even a majority, are in their heart of hearts opposed to the Government: nevertheless, should the Government resign while the Prime Minister is at The Hague and ask the Majlis for a vote of inclination to enable it to resume office, I consider that it will probably get it.

9. It has recently become apparent that most of the influential religious leaders who in this country play such a large part on the fringe of politics are now opposed to the Government. The latter aroused considerable resentment when its hooligans molested the eloquent and influential preacher Falsafi as he was about to preach his customary sermon in the principal mosque of Tehran at the beginning of Ramazan. Falsafi enjoys the support of the Imam Jume'h of Tehran who is a generally respected personality. While the quarrel between Dr. Musaddiq and Kashani has been patched up in order to make a show of unity at the time of The Hague Court hearings, Kashani's influence has greatly waned and his efforts to enlist some popular

support for the Prime Minister have largely failed.

10. In this confusing situation neither Government nor the Opposition leaders seem to have any positive policy at all. No-one has the remotest idea of how to extract Persia from the impasse into which Dr. Musaddiq has led the country. While those in power, and those aspiring to it, are becoming increasingly aware of the seriousness of the position it seems that no-one is willing to suggest a remedy until the present Government falls through the accumulation of its errors. This is unlikely to happen immediately, though the chances will improve when Dr. Musaddiq returns from The Hague, especially if he fails to convince the International Court of the justice of his arguments.

11. My latest information is that Dr. Musaddiq will leave The Hague immediately after the Court hearings, possibly as early as June 11th, without waiting for the Court to render its decision. He will then be virtually obliged to seek a vote of confidence from the Majlis and has a good chance of obtaining it while he can still represent himself as the undefeated champion of his country. But he cannot indefinitely conceal his lack of success in producing concrete results. His hints of "secret" negotiations must sooner or later be exposed as false promises and his evident political, as well as financial, bankruptcy may force his opponents to take action. If and when this occurs it will in my view be important, as I have already informed you, that we should be able without delay to indicate to the successor government our own ideas of a possible settlement of the oil question.

12. I am sending copies of this despatch to Her Majesty's Ambassadors at Washington and The Hague and to the Head of British Middle East Office at Fayid.

I have, &c.

G. H. MIDDLETON.

No. 38

UNITED KINGDOM CONCLUSIONS ON THE QUESTION OF THE JURISDICTION OF THE HAGUE COURT

Sir N. Butler to Mr. Eden. (Received June 13)

(No. 136).

(Telegraphic).

The Hague.

June 13, 1952.

My immediately preceding telegram: Final conclusions of Government of United Kingdom (in extenso).

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That the question of the Court's jurisdiction is the only question which arises for decision by the Court at the present time, and no other question, whether or not it is one which could be raised by preliminary

objection, falls for decision by the Court at the present time.

2. That the Court has under article 36 (2) of its statute jurisdiction in respect of all disputes covered by the declaration of Persia accepting the optional clause.

3. That the Persian declaration accepting the optional clause covers disputes arising after the ratification thereof in regard to situations or facts subsequent to the ratification thereof and having reference directly or indirectly to the application of treaties or conventions accepted by Persia at any time.

4. That, by reason of (3), the Court has jurisdiction to entertain the claim of the United Kingdom that Persia, in putting into force the law of 1st May, 1951, relating to the nationalisation of the oil industry in Persia, has violated its obligations towards the United Kingdom resulting from the following treatise or conventions accepted by Persia:—

(a) The treatise and conventions between Persia and third states enumerated in paragraph 11 of Annex 2 of the United Kingdom memorial, being treatise or conventions on which the United Kingdom is entitled to reply by reason of Article 9 of the treaty of 1857 between the United Kingdom and Persia, and Article 2 of the treaty of 1903 between the United Kingdom and Persia.

(b) Exchange of notes between the Imperial Government of Persia and the United Kingdom dated 10th May, 1928 regarding the position of British nationals in Persia.

(c) The treaty stipulation arising out of the settlement in 1933, through the mediation of the Council of the League of Nations, of the international dispute between the United Kingdom and Persia, the conditions of which settlement are contained in the concession convention concluded by the Imperial Government of Persia with the Anglo-Persian Oil Company in that year.

5. That the contention in paragraph 3 of the Persian conclusions that the Persian declaration accepting the optional clause only covers disputes arising out of treatise accepted by Persia after the date of the ratification of that declaration is wrong.

6. That if, contrary to 5 above, the Persian declaration is limited to treaties and conventions accepted by Persia after the date of the ratification of its declaration

accepting the optional clause, the Court has jurisdiction to entertain claims by the United Kingdom that Persia has infringed its obligations toward the United Kingdom resulting from the following treatises or conventions accepted by Persia:—

(i) The Treaty of Friendship, Establishment and Commerce between Persia and Denmark signed on the 20th February, 1934 upon which the United Kingdom is entitled to rely by reason of Article 9 of the treaty of 1857 between the United Kingdom and Persia and Article 2 of the treaty of 1903 between the United Kingdom and Persia and

(ii) The Treaty stipulation between the Government of Persia and the Government of the United Kingdom referred to in paragraph 4 (c) above.

7. That the contention in paragraph (1) of the Persian conclusions that, by reason of a statement in a note of the 3rd August, 1951, from the British Embassy in Tehran to the Persian Government or otherwise, the United Kingdom has abandoned the claims formulated in A of its final conclusions contained in paragraph 48 of the United Kingdom memorial of the 10th October, 1951, and that therefore these claims cannot be entertained by the Court, (a) does not relate to the question of jurisdiction and therefore does not fall for decision by the Court at the present time, and (b) is ill-founded.

8. The contention in paragraph (1) of the Persian conclusions that the alternative claim B of the final conclusions in paragraph 48 of the United Kingdom memorial of the 10th October, 1951 must be rejected on the ground that it was not covered by the application instituting proceedings (a) does not relate to the question of jurisdiction and therefore does not fall for decision by the Court at the present time, and (b) is ill-founded.

9. The contention in paragraph (1) of the Persian conclusions that the Court has no jurisdiction to entertain the aforesaid claim B on the ground that it was formulated after the denunciation by Persia of its declaration accepting the optional clause, is ill-founded.

10. That the contention in paragraph 5 of the Persian conclusions that the said alternate claim B is not receivable because municipal remedies have not been exhausted (a) does not relate to jurisdiction and therefore does not fall for decision by

the Court at the present time, and (b) is ill-founded.

11. That the last "subsidiary" contention in the Persian conclusions that, by reason of the penultimate paragraph of the Persian declaration accepting the optional clause, Persia is entitled to require that proceedings in the Court should be suspended on the ground that the dispute between the parties has been submitted to the Security Council of the United Nations (a) does not relate to the question of the jurisdiction of the Court and therefore does not fall for decision at the present stage, and (b) is ill-founded.

12. That the present dispute between the United Kingdom and Persia does not relate to a matter which according to international law, falls exclusively within the jurisdiction of Persia and therefore the jurisdiction of the Court is not affected by exception (c) of the Persian declaration accepting the optional clause.

13. That the contention in paragraph 6 of the Persian conclusion that exception (c) of the Persian declaration accepting the optional clause, must, having regard to the

provisions of Article 2 (7) of the Charter of the United Nations be regarded as extending to questions which are essentially within the jurisdiction of Persia is ill-founded.

14. That if contrary to 13 above the Persian contention referred to in 13 above is correct, the present dispute does not relate to a question which falls essentially within the domestic jurisdiction of Persia.

15. That Article 2 (7) of the Charter of the United Nations is not relevant to the jurisdiction of the Court.

16. That if contrary to 15 above Article 2 (7) of the Charter of the United Nations is relevant to the jurisdiction of the Court, the present dispute is not a matter which is essentially within the domestic jurisdiction of Persia. For these reasons, the Government of the United Kingdom accordingly prays the court (1) to declare that it has jurisdiction or alternatively, to join the question of jurisdiction to the merits, and (2) to order the Persian Government to plead on the merits and to fix the time-limits for the further written proceedings.

EP 1015/127

No. 39

REQUEST FOR AN OPINION ON THE POSSIBLE ATTITUDE OF HER MAJESTY'S GOVERNMENT IN THE EVENT OF A CHANGE OF GOVERNMENT IN PERSIA

Mr. Middleton to Mr. Eden. (Received June 13)

(No. 417. Confidential).

Tehran.

(Telegraphic).

June 13, 1952.

[EXTRACTS.]

4. A number of leading personalities, e.g. Mansur, [group undecypherable] and Qavam have asked me in the last few days whether, in the event of a change of government in Persia, Her Majesty's Government would be prepared—

(a) to negotiate an immediate settlement of the oil question and, if so, on what terms.

(b) to afford some financial assistance, possibly in conjunction with the

United States Government, to tide the new government over the first critical months. I have of course avoided giving direct answers and suggested that in any case quick solution of the oil problem must largely depend on the Persians themselves. I should however be grateful for guidance on the second point. I think that if I could be vaguely encouraging it would strengthen the resolve of the opposition element who are again becoming very active.

PERSIAN INTERNAL SITUATION

Mr. Eden to Mr. Middleton (Tehran)

(No. 395)

*Foreign Office,**June 15, 1952*

(Telegraphic)

It is impossible as well as undesirable to give any precise answer at the moment to questions stated in your paragraph 4.

2. As to (a), we are ready at any time to negotiate a settlement but in order that there may be negotiations it is essential that there should be two parties who are prepared to negotiate. Hitherto the Persian Government has done nothing but strike attitudes. Any Persian Government which genuinely desires a settlement must be prepared to face facts. A great effort will be necessary if any substantial quantity of Persian oil is to be sold in world markets which have done without it for nearly a year, and it is primarily up to the Persians to create conditions which will make Persian oil attractive. As regards ourselves, friendly Persians can be assured that it gives us no pleasure to see Persia in the mess into which she has got herself, and if she genuinely tries to seek a way out she will meet with no ill-will or vindictiveness on our part. On the contrary we have always wished our two countries to work sincerely together for their mutual advantage, that is still our purpose. You may develop this theme at your discretion when you see the Shah.

3. As to (b), you should know that we would be most reluctant to put up any

financial assistance for Persia in the circumstances envisaged. The amounts involved are likely to be very large and our financial resources are strained to the utmost. While, therefore, there are other possibilities, which we are considering, it looks as if any temporary financial assistance needed would have to be provided by the Americans who have already shown signs of recognising the need to do this.

4. In speaking to the Shah, therefore, we do not think you can go further than to say that, while we recognise that the question of temporary financial assistance to Persia may arise in an acute form on the advent of a new government and would be prepared, in the circumstances contemplated, to consider Persia's financial position in conjunction with our American allies, it must be realised that our own economic difficulties would make it extremely difficult for the United Kingdom to come to the rescue.

5. Strictly for your own information, I propose to consider the form of a settlement of the oil dispute with some of my colleagues next week and I shall wish to consult you personally. I realise that it may be desirable to give the Shah at the appropriate moment some indication of our views.

PERSIAN-SOVIET TRADE AGREEMENT

Mr. Middleton to Mr. Eden. (Received 19th June)

(No. 197 E. Confidential)

*Tehran,**16th June, 1952.*

Sir,
With reference to my despatch No. 317 E. of 17th November, 1951, I have the honour to inform you that, on 7th June, the Persian and the Soviet trade negotiators finally reached agreement on the commodities to be exchanged in the twelve months from 1st April, 1952, to 31st March, 1953.

2. I enclose (at annex I) the commodity lists for this period compared with the lists in the 1950 Trade Protocol. Points of particular interest are, as regards Persian exports, the reduction in the listed quantities

of tobacco, rice, oil-seeds, dried fruit and nuts, the increase in the quantities of cotton, wool and lamb-skins, and the introduction of mineral ores; as regards Soviet exports, the reduction in the listed quantities of cotton piece-goods, sugar and iron ore, the increase in the quantity of paper, and the introduction of chemicals, dyes, lubricating grease and bitumen. These changes seem to have been made in the light of trading experience over the last eighteen months, and the lists are, generally speaking, more realistic than those in the 1950 Protocol. Persia's acute shortage of foreign exchange

has no doubt much to do with the introduction of Soviet chemicals, dyes and lubricating grease. The 1,000 tons of bitumen is probably intended for use in North Persia, where transport costs make oil products from Abadan more expensive than those from Baku.

3. As reported in paragraph 35 of my economic report No. 7, the trade negotiations were interrupted towards the end of April by the Soviet reaction to the Persian Government's acceptance of United States military aid. Late in May, however, negotiations were resumed, and agreement was reached after two meetings. According to information which I have received from a reliable and very confidential source, there was some difficulty over the quantities of Persian tobacco and cotton. The original quota for tobacco was 3,000 tons and it took the Persians some time to persuade the Russians to accept the reduction to 300 tons. The Persians appear to have raised the quantity of cotton to 4,000 tons as compensation. Another difficulty, which was not formally resolved, was the Russian insistence that the quotas for Soviet pottery, china and miscellaneous goods should be expressed in roubles and not rials. Much of the second meeting was taken up with a rather pointless discussion on this issue, the Persians pointing out that the commercial exchanges were settled in Tehran, where there were no roubles available. In the end the two delegations agreed to disagree, and the Persians will probably have their way in practice.

4. At the end of the negotiations there was no exchange of letters or signing of the lists, but both sides agreed orally to exchange goods on the basis of the new lists.

5. The Russians proposed that there should also be a Clearing Agreement on the usual lines between the two countries. This should include a reaffirmation of the most-favoured-nation agreement between the two countries, the use of Swiss francs as the clearing currency with a "swing" of 10 million Swiss francs, and a provision that the Soviet Union would be allowed to sell goods in Persia to meet the expenses of the Soviet Embassy and other Soviet organisations in Persia as well as their purchases of fish and caviare from the Soviet-Persian Fisheries. In earlier discussions on this point the Minister of National Economy had told the Russians that a clearing agreement would be acceptable provided that settlement of any outstanding balance at the expiry of the trade agreement would be

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made in rials or goods and not in foreign exchange. The Minister was absent in Germany during the recent discussions, and the Persian negotiators merely promised to refer this proposal to the Government. My source has told me that the proposal was discussed in the Cabinet on 8th June, where it was decided that consideration of it should be postponed until the return of the Persian Prime Minister from The Hague. In the source's opinion, the negotiations on this point will probably be dragged out as long as possible. The Cabinet seemed to be suspicious of Soviet intentions, and the view was expressed that transactions between the Soviet Trading Organisation and Persian merchants should be closely supervised by the Persian authorities.

6. As regards the extent of trade since the report in my despatch under reference, I enclose (at annex II) an extract from the latest available Persian Customs statistics, for the five months from 23rd September, 1951, to 20th February, 1952. Although the 1950 protocol formally expired on 10th November, 1951, it will be seen that trade actually increased during these five months. In fact, the value of Soviet exports to Persia during the five months was some 17 per cent. higher than in the whole of the preceding nine months, and Persian exports to the Soviet Union during the five months, although lower by value than in the preceding nine months, were nevertheless at a higher rate. Imports from the Soviet Union by value represented 15 per cent. of Persia's total imports during the five months, and exports to the Soviet Union 17 per cent. of total exports during the same period.

7. Cotton piece-goods and sugar accounted for 94 per cent. of the total value of imports from the Soviet Union. The heavy Russian concentration on these two commodities becomes more significant when seen in the light of total Persian requirements. If the rate of supply of Soviet sugar during the five months were maintained, it would provide one-third of Persia's total requirements. The Soviet share in Persia's imports of cotton piece-goods is even more striking. If the rate of supply during these five months were maintained, it would absorb the whole of the Persian import quota for these goods during the current Persian year (1331). The bazaars are full of Russian piece-goods, and the Persians may well have reduced this quota in the new commodity lists in order to prevent a complete swamping of the market by the Soviet Union.

E* 2

8. Persian exports of cotton—just over 1,000 tons in fourteen months—must have been disappointing to the Soviet Union, which has shown a particular interest in this commodity. Persian exports of wool, however—about 3,700 tons in fourteen months—were much higher than was originally expected, and wool has been by far the largest single Persian export by value.

9. During the five months Soviet exports increased steadily from 65 million rials in the first month to 98 million rials in the last. Persian exports, on the other hand, fluctuated considerably, and on the whole tended to decrease. This tendency can reasonably be expected to be reversed as the crops come in from the current harvest. During the five months the balance of trade was in the favour of the Soviet Union to the extent of 79,528,000 rials. This balance wiped out the previous balance in favour of Persia and left the Soviet Union at the end of February with 13 million rials in hand.

10. It remains to be seen whether the new agreement will lead to further increase in trade between the two countries. It seems reasonable to assume that it will and that, by the end of the current Persian year, the Soviet Union will at least have regained the share of Persian trade which it held in the year 1325 (please see paragraph 5 of my despatch under reference).

11. There has been no resumption of the financial negotiations between the two countries since my last despatch, nor is there any indication of such a development at present.

12. I am sending copies of this despatch to Her Majesty's Ambassadors at Washington and Moscow, the Head of the British Middle East Office at Fayid and the Development Division at Beirut, the Lords Commissioners of Her Majesty's Treasury, and the Commercial Relations and Exports Department of the Board of Trade.

I have, &c.

G. H. MIDDLETON.

ANNEX I

PERSIAN-SOVIET TRADE AGREEMENT

Commodity lists for period 1st April, 1952 to 31st March, 1953

(Figures in brackets are amounts in 1950 Trade Protocol, in metric tons unless stated otherwise).

Persian exports to U.S.S.R.

Rice ...	(35,000-60,000)	30,000
Cotton ...	(3,000 plus)	4,000
Wool ...	(1,000 plus)	2,200
Iron oxide ...	(Nil)	4,000
Minerals ...	"	6,000
Tobacco ...	(10,000)	300
Gum tragacanth ...	(500)	300
Dates ...	(2,000)	2,000
Almonds ...	(2,000)	1,000
Oil-seeds ...	(4,000)	1,000
Sheep and goat-skins ...	(300,000)	300,000 pieces
Lamb-skins ...	(30,000)	200,000 "
Goat hair ...	(300)	Nil "
Green raisins ...	(4,000)	"
Pistachios ...	(1,000)	"
Green Cummin ...	(1,000)	"

Persian imports from U.S.S.R.

Cotton piece-goods	(50,000,000)	30,000,000 metres
Sugar ...	(75,000)	43,000
Paper ...	(500 tons and 10 million rials worth)	2,900
Cement ...	(20,000)	20,000
Timber (in planks)	(10 million rials worth)	10,000
Chemical products	(Nil)	200
Dyes (as authorised in Persian quotas)	"	100
Lubricating grease	"	800
Tar (bitumen) ...	"	1,000
Iron ...	(30,000 incl. rails)	5,300
*Pottery and china	(20,000,000)	4,000,000 rials
*Miscellaneous...	(Nil)	6,000,000 "

* Not published but confidentially understood to be under discussion.

ANNEX II

PERSIAN-SOVIET TRADE

Extract from Persian Customs Statistics for the Five Persian Months from 23rd September, 1951 to 20th February, 1952

Imports from U.S.S.R.

	Weight (in metric tons)	Value in 000 rials
Sugar (loaf) ...	3,263	24,227
Sugar (soft) ...	21,225	151,058
Piece-goods ...	1,406	208,515
Heavy machinery ...	48	1,484
Ironware ...	652	5,470
Paper ...	468	9,269
Cement ...	84	134
Cotton thread ...	21	3,002
Total (not addition of above)	28,522	406,881

Exports to U.S.S.R.

	Weight (in metric tons)	Value in 000 rials
Rice ...	3,729	29,230
Almonds ...	1,321	50,550
Tobacco ...	2,152	58,837
Cotton ...	558	20,283
Gum tragacanth ...	165	12,601
Wool ...	2,163	155,065
Total (not addition of above)	10,160	327,353

Balance of trade in favour of U.S.S.R.: 79,528,000 rials.

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No. 42

PERSIAN INTERNAL SITUATION

Mr. Middleton to Mr. Eden. (Received June 17)

(No. 426) Tehran, June 17, 1952.
(Telegraphic) My telegram No. 417. Persian internal situation.

I saw the Shah last night and had a long conversation with him during which he mostly kept to generalities. When eventually we came to discuss the Persian problem, His Majesty appeared to have no constructive proposals whatsoever, though he spoke vaguely of Salih and Shayigan as possible Prime Ministers. I think he has a grasp of the essentials of the situation, but he is incapable of firm resolve. I regretfully conclude that we can expect no assistance from this quarter unless com-

bined pressure is brought to bear on the Shah by both the United States Ambassador and myself. And even joint appeal might have to be accompanied by virtual threats that he must bear the consequences if he does not follow the advice given to him. I did of course assure His Majesty of our support, but I doubt whether this will prevent him from continuing to harbour suspicions that we should not regret the fall of the Pahlavi dynasty. He is, moreover, indiscreet and may well transmit his fears to others; I know for example that he has recently mentioned them to the Imam Jumeih.

EP 15314/161

No. 43

RECORD OF A MEETING HELD AT THE FOREIGN OFFICE ON 24th JUNE, 1952

Present:

Mr. Acheson.
Mr. Gifford.
Dr. Jessup.
Mr. Perkins.
Mr. Nitze.
Mr. Palmer.

Mr. Eden.
Sir William Strang.
Sir Roger Makins.
Sir Pierson Dixon.
Sir James Bowker.
Mr. Middleton.
Mr. Ross.

The Secretary of State informed Mr. Acheson that Her Majesty's Government had recently examined the possibilities of

reaching an agreement in the oil dispute with a new Persian Government. They considered it preferable to work for a

permanent settlement if this were possible rather than for an interim arrangement. A permanent settlement might best be achieved on the basis of a Management Agency acting under contract from the National Iranian Oil Company which would exercise general policy control, the Anglo-Iranian Oil Company being the sole purchaser. The composition of the Management Agency was open to discussion, but in the view of Her Majesty's Government the Agency would be more efficient if it were formed by oil companies. There would have to be British participation in the Agency. The Secretary of State believed that the Persian Government would also prefer a permanent settlement, but if this proved impossible Her Majesty's Government would agree to an interim arrangement similar to that which the International Bank had endeavoured to negotiate earlier in the year.

Sir R. Makins added that the proposals which the Secretary of State had outlined constituted a framework within which our tactics must be decided when we knew more exactly what sort of a Persian Government we should have to deal with.

Mr. Acheson asked whether it was correct to say that the Anglo-Iranian Oil Company would be compensated for the loss of the Concession Agreement by a new long-term contract.

Sir R. Makins explained that a settlement such as that outlined by the Secretary of State would, in our view, provide for compensation, not in the sense that a fixed amount would be allocated to compensation, but rather that the new arrangements taken as a whole would be such that they could be regarded as compensating the A.I.O.C. for the loss of the former concession. We had previously said that the question of price was not likely to be an obstacle. It was not, however, one which could be settled in advance and we had no preconceived view on the subject.

Mr. Acheson asked whether the chief points to be negotiated could be said to be the duration of any arrangements, price, participation in management, and technicians. *Sir R. Makins* suggested that the division of power as between the National Iranian Oil Company and the Management Agency, and the relationship between the two, were even more important.

The Secretary of State said that the two points which had emerged from the study which his colleagues had made of the ques-

tion were that a long-term settlement was preferable to an interim arrangement, and that the basis of the long-term settlement should be the management contract, rather than the concessionary type of agreement. They wished both for British participation in management and the inclusion of British among other foreign technicians. *Mr. Eden* emphasised the importance of this information not reaching Persian ears prematurely.

Mr. Middleton stated that while there might be some feeling in Persia against British participation in management, there would in his view be no difficulty over the introduction of British technicians.

Mr. Nitze said that he believed United States oil companies would be glad to assist by furnishing technicians to a Management Agency, but that they would prefer that the Agency itself should not be one of the existing oil companies. He mentioned two United States concerns, not being oil companies, who might be interested.

Sir R. Makins pointed out that the A.I.O.C. as purchaser must have confidence in the efficiency of the management. This point was of major importance. In the United Kingdom view it was also essential that there should be a British element in the management.

Mr. Nitze suggested that British participation in the management might be financial or personal, but he agreed that it should, in fact, be personal.

Sir R. Makins drew attention to the importance of the fee payable to the Management Agency. This fee would, of course, have an effect on the question of equal shares as between the Persian Government and the A.I.O.C. and on the element of compensation. This and many other practical features of the proposed arrangements would have to be carefully studied.

The Secretary of State posed the question whether it would be wise, in the interests of Anglo-American relations, that a United States company should provide the Management Agency.

Mr. Middleton pointed out that a new Persian Government would have to be careful not to appear to be "selling out" and that this might in fact be the impression if they agreed to a United States Management Agency.

Mr. Acheson suggested the possibility of a consortium of, say, Belgian nationality embracing, for example, United States,

United Kingdom and Dutch personnel. *Sir R. Makins* said that we had been thinking in terms of oil companies. There were many alternative possibilities. It might be that we now had rather more time to consider these than we had expected.

Mr. Middleton agreed that Dr. Musaddiq was in a strong position at least to prevent action against him by his opponents in the Persian Parliament. He could prevent a quorum being formed in the Majlis by ordering his supporters to absent themselves.

EP 1539/71

No. 44

DR. MUSADDIQ'S VISIT TO THE HAGUE

Sir N. Butler to Mr. Eden. (Received 26th June)

(No. 237. Confidential) *The Hague, 25th June, 1952.*

I have the honour to report that the Persian Prime Minister, Dr. Musaddiq, after a prolonged visit to The Hague for the hearing of the first stage of the Anglo-Persian Oil Case before the International Court of Justice, left Holland by air on 23rd June to return to Persia.

2. It was natural that Dr. Musaddiq's visit to Holland should arouse considerable interest in this quiet country, and the press correspondents established here and those who had come to The Hague specially for the case were hopeful that Dr. Musaddiq would provide interesting copy by his now familiar tactics of fainting and weeping in turns. His arrival also aroused hopes in other quarters and I have already reported the feelers put out by my departing Canadian colleague and by Dr. Alexander Loudon, the Secretary-General of the Permanent Court of Arbitration, in the direction of promoting a mediation in the dispute. I have also reported, in a semi-official letter to Sir James Bowker, the exchanges of calls between Dr. Musaddiq and Dutch officials and the correct but reserved attitude adopted on the Dutch side. Dr. Musaddiq was also received in audience by Queen Juliana shortly after his arrival.

3. It was known in advance that Dr. Musaddiq would speak on the opening day of the hearing of the case, the 9th June, and the courtroom of the Peace Palace was crowded. On his arrival Dr. Musaddiq was assailed by the expected barrage of press photographers who filled in nearly five minutes before the opening of the proceedings taking flashlight photographs of him. Any hopes of sensational developments, however, were disappointed. Dr. Musaddiq in his speech did not try for any dramatic

effects and although he repeated his familiar extravagant accusation against the oil company and the British Government he spoke in measured tones and with some dignity. It is clear from conversations which other members of my staff have had with Dutch people and with foreign journalists that these tactics have produced considerable effect and that several people who should have known better were half impressed by what he said.

4. After this opening appearance in the court Dr. Musaddiq kept to his hotel room and expectations that he would speak again when the time came for the Persian delegation to reply to the British case were disappointed. It was announced that Dr. Musaddiq was too ill to appear. And although he received individual journalists at his hotel Dr. Musaddiq did not appear again in public until the day of his departure when he gave a press conference just before leaving his hotel for the airport. I enclose the report of this press conference which, apart from the prospects of the outcome of the court's hearings on the question of jurisdiction, was mainly concerned with the *Rose Mary* incident which, at any rate from the point of view of local public opinion, he must be admitted to have handled cleverly.

5. Dr. Musaddiq and the Persian delegation have however not, on the whole, had a good press in this country. This is largely the result of tactless handling by the Persian delegation at an early press conference, which caused considerable annoyance to press correspondents. There was almost unanimous criticism in the press of Dr. Musaddiq's opening speech as having nothing to do with the case and a general undertone of criticism. In spite of this, I fear Dr. Musaddiq has managed to leave behind him in The Hague a generally favourable impression, though M. Stikker

for his part described him as a quite impossible person.

6. I am sending a copy of this despatch to Tehran.

I have, &c.

NEVILLE BUTLER.

Enclosure in No. 10

Dr. Musaddiq Leaves

Parting Shot on Rose Mary

Schiphol, 23rd June.—Persian Premier Dr. Mohammed Musaddiq left here for Tehran to-day.

Dr. Musaddiq's plane, the K.L.M. Constellation *Friesland*, had been delayed for over one hour by a technical hitch.

Dr. Musaddiq, who is accompanied by seven members of the Persian delegation to The Hague International Court of Justice is expected to arrive in Tehran at 08.30 local time to-morrow morning.

At a press conference in The Hague before leaving Premier Musaddiq said he considered that by "the seizure of the *Rose Mary* we find ourselves again in the presence of an arbitrary act which cannot be justified in any way."

In a written statement, which he read standing at the beginning of the conference, Premier Musaddiq said the *Rose Mary* tanker incident "is a vivid example of the way Britain is endeavouring to strangle us by paralysing our national exploitation."

This was done, he said, "first by a concerted action of principal oil companies and then by proceedings of seizure founded on an entirely abusive interpretation of the interim order of the International Court of Justice, and in circumstances under which the entire dispute actually finds itself submitted to this jurisdiction."

Only Hypothesis

To another question as to what Persia would do if the World Court declared itself to have jurisdiction in the oil case, Dr. Musaddiq said "I refuse to accept any other hypothesis than that the court will not fail to recognise its own non-competence in a matter which belongs essentially to the national sovereignty and the domestic jurisdiction of Persia."

The Persian Premier opened his remarks by saying that, to have made declarations while the World Court was sitting, would have made him liable "to be blamed for

wishing to disturb the serenity which is appropriate to its debates."

He said the principal aim of his journey here had not only been to bring "the undeniable justice of our case" to the notice of the International Court and the world at large, but also to show the respect of the Persian nation towards international organisations.

He then warmly thanked the Government and the people of the Netherlands for the hospitable reception given to the Persian delegation.

He went on to explain again Persia's attitude towards the oil nationalisation.

"After submitting to the yoke of economic and political servitude for over fifty years," he said, "the Persian nation has, while fully aware of its rights, put an end to the agitations of a foreign company under whose influence all the activities of our country were paralysed."

He suggested that Britain seemed to think that, by changing her mind after formally recognising the principle of nationalisation, "the fortuitous movement directed by me would disappear with me."

He said he had the support of the entire people of Persia, "and none of my successors, nor any Parliament in Persia, can change the decision which has been definitely adopted by the Persian people and which can never again be put in question."

Expected Fall of Government

Premier Musaddiq said it was more than one year since Britain, "expecting the imminent fall of my Government, has been refusing to come to a fair and just settlement based on realities of the case."

These, he said, were to respect the complete independence of Persia to exploit her nationalised industry, and to concentrate only on the interests of Britain the legitimacy of which Persia had recognised.

"I sincerely hope," he went on, "that a verdict of non-jurisdiction by the court will soon put an end to Britain's manoeuvres. I also hope a sane comprehension of the realities based on the rights of each country for freedom and independence will put an end to a dispute which, in the words of Sir Lionel Heald, entails great losses for both parties."

Premier Musaddiq said he would answer "some of the questions put to him."

He was then asked what his attitude would be if the court decided to join the question of jurisdiction with that of the merits of the oil dispute.

Dr. Musaddiq replied: "I can only hope the court will not give such a decision, which would only prolong a situation which is recognised as harmful to both countries, and would encourage a repetition of the measures equally abusive as the seizure of the *Rose Mary*."

Not Confiscation

To another question on allegations that Persia was confiscating the properties of the Anglo-Iranian Oil Company, Premier Musaddiq said it is not possible to talk of confiscation, as the principle of compensation has been admitted by Persia from the beginning of the dispute.

But the former company has so far not even examined the proposals Persia had made for payment, he declared.

He said that by Persia's "just and practical" proposal, if it had been adopted, the flow of Persian oil would not have been suspended and the sale of its products would, in the past year, have earned a sum of over £150 million sterling. Of this, one-quarter would have been deposited in an agreed bank as the basis of a compensation fund.

Premier Musaddiq stood for over twenty minutes during his conference and he appeared in good health and spirits, it was noted.

EP 15314/163

No. 45

RECORD OF A MEETING HELD AT THE FOREIGN OFFICE ON SATURDAY, 28th JUNE, 1952

Present:

Mr. Acheson.
Mr. Gifford.
Dr. Jessup.
Mr. Perkins.
Mr. Nitze.

Mr. Eden.
Sir William Strang.
Sir Oliver Franks.
Sir Roger Makins.
Sir Pierson Dixon.
Sir James Bowker.

Persia

Mr. Acheson said that, according to the most recent United States assessment of the political position in Persia, August was the most likely month when Musaddiq might fall. In other words, if anything were to happen in Persia it would happen soon. It was, therefore, necessary to have some idea of the form which an agreement with a successor government might take. In this connexion, there were five points on which ideas would have to be clearer:

- (i) the nature and composition of the managing agency;
- (ii) the relationship of the managing agency to the N.I.O.C.;
- (iii) the duration, quantities and terms of settlement;
- (iv) the financing of the Persian Government during the interim period before oil began to flow;
- (v) whether the Shah should be encouraged now or in the near future to believe that we were ready with some form of settlement.

The Secretary of State said he did not think Musaddiq would fall of his own accord. He would have to be pushed and

the one person who could do this was the Shah. He foresaw that at some stage it might be necessary for the British and United States Representatives in Tehran jointly to impress on the Shah the need for some sort of action of this sort.

With regard to financial aid to the Persian Government during the interim period, Mr. Middleton had recently expressed the view that a successor Persian Government would not be able, for political reasons, to accept money from the A.I.O.C.

Sir Roger Makins said that he understood from talks with Mr. Nitze in the last day or two that the United States Government had put itself in a position to be able to give some money to the Persian Government. The United Kingdom would not be able to do so. We might, however, be able to remove the financial and trade restrictions which we had imposed when oil had ceased to flow to the United Kingdom. The provision of the necessary finance to get the oil industry re-started was a difficult question and it was here, rather than in helping to tide the Persian Government over, that the A.I.O.C. might help.

Mr. Nitze said that he had had useful talks during the last day or two with

Sir Roger Makins on the form of a possible future settlement. He would, however, still like to have a clearer idea of what the United Kingdom had in mind on the five points which Mr. Acheson had mentioned.

It was agreed that there would be further discussion, through Her Majesty's Embassy at Washington, on the form of a possible settlement. If necessary, someone from the Foreign Office could pay a visit to

Washington in the course of these discussions.

The Secretary of State remarked that he saw value in the A.I.O.C. making some financial advances fairly early on in discussions with a successor government for a settlement, as a means of improving the atmosphere and dispelling some of the animosity against the A.I.O.C.

EP 1015/136

No. 46

VICTORY OF IMAM JUMEH AND THE FIRST DEFEAT IN THE MAJLIS OF DR. MUSADDIQ

Mr. Middleton to Mr. Eden. (Received July 1)

(No. 444. Confidential) *Tehran,*
(Telegraphic) *July 1, 1952.*

Victory of Imam Jume'h is a clear cut defeat for the Government and Musaddiq personally, the first which he has suffered in the Majlis since coming to power.

2. Musaddiq told the Shah on the 28th June that, if Imam Jume'h were elected, he would be unable to continue to work. The Shah replied that the Majlis must take its own decision and he did not intend to intervene.

EP 1151/21

No. 47

REQUEST BY THE PERSIAN GOVERNMENT FOR THE PAYMENT BY THE MIDLAND BANK, LONDON, OF TWO DRAFTS ISSUED BY THE BANK MELLI, PERSIA

Tehran,
July 3, 1952

The Ministry of Foreign Affairs present their compliments to Her Majesty's Embassy and have the honour to state as follows:

It is reported by the Bank Melli, Persia, that payment has been refused by the Midland Bank, London, on grounds of lack of approval by the British authorities concerned, of two drafts issued by the Bank Melli, Persia, one for £2,506 12s. 10d. in favour of the Persian Embassy in Rome and the other for £1,800 in favour of Professor Henry Rolin, the lawyer defending Persia in the Hague Court. About the first draft the above-mentioned bank has telegraphed as follows:

"The British Exchange Control does not allow payment. Regard the draft as cancelled."

With regard to the second draft more explanation was requested telegraphically (by the Midland Bank) in connexion with the issue of the draft and although this was given no news of payment or refusal has

so far been received by the Bank. Although the Imperial Ministry of Foreign Affairs lodged its protest in due time against the unilateral cancellation of the Financial Agreement and against the economic pressure brought to bear on Persia by the British Government during the last year for reaching objectives known to all, and has reserved the right of the Persian Government to claim any losses in this connexion, yet it cannot but express its surprise now at the fact that the British Government who represent themselves as being devoted to law and justice should take such unilateral and unlawful decisions thus proving themselves indifferent to the principles governing normal Bank and trade relations.

While the foreign exchange transactions made by the Bank Melli, Persia, with the Banks in England have been always in cash and the Bank Melli has always drawn only on its own balances, holding even now over ten million pounds in the Banks of England, it seems to be inconsistent with the usual practice concerning Bank and Commercial transactions and absolutely unfair to refuse to honour drafts or to make

obstacles and delay payment of drafts issued in favour of students, or to refuse to agree to make payments connected with goods required by Persia, such as piece goods, sugar, machine tools, &c.

The Ministry of Foreign Affairs wishes to lodge its protest against the refusal to

honour the above-mentioned drafts and expects the honourable higher authorities of the British Government to instruct the authorities concerned to refrain from taking such decisions which no doubt impair the relations between the two countries.

EP 1192/27

No. 48

PERSIAN GOVERNMENT'S REPLY TO THE SOVIET NOTE OF MAY 21, 1952

Mr. Middleton to Mr. Eden. (Received July 9)

(No. 229. Confidential) *Tehran,*
July 7, 1952.

With reference to my telegram No. 449 of the 4th July, I have the honour to send you herewith a translation from the Persian of the Persian Government's reply to the Soviet note of the 21st May, 1952.

2. The Persian reply attempts to rebut the Soviet assertions by quoting the text of the Persian Prime Minister's letter of the 24th April to the United States Ambassador (my telegram No. 322 of the 26th April), and two statements of the Persian Government's official spokesman. The Persian note is mild and unprovocative to the point of lameness, and does not enter into the substance of the Soviet Government's accusations.

3. Press comment on the Persian note has been meagre, as it has been overshadowed by the political crisis of the last few days. It was however sharply criticised by the independent *Ittila'at* which blamed the Persian Ministry of Foreign Affairs for implicitly recognising in its reply the continuing validity of the Russo-Persian Treaty of 1921. The newspaper wrote "As a Soviet jurist has said, it would have been impossible for the Soviet Union to have derived a greater advantage from the ignorance and incompetence of our diplomats. A glance through the dossier of this question shows that the Persian Government has several times denied the validity of Article 6, which especially since the promulgation of the United Nations Charter, cannot govern Persian/Soviet relations." (The article in question concludes by criticising the action of the Persian Ministry of Foreign Affairs in the Bahrain question, saying that the Persian people had repeatedly proclaimed its rights over Bahrain and there was no need at all to make any diplomatic *démarches*.)

4. The enclosed translation gives a slightly different version of Dr. Musaddiq's letter to Mr. Henderson of the 24th April from that contained in my telegram No. 322 of the 26th April, the translation of which was supplied by the American Embassy. There is however no difference in substance.

5. I am sending copies of this despatch to Her Majesty's Representatives at Moscow and Washington and to the Head of the British Middle East Office, Fayid.

I have, &c.

G. H. MIDDLETON.

Enclosure in No. 48

Translation from *Kaihan* of July 3, 1952
Text of Persian reply to the Soviet Note concerning America's Military Aid

The Imperial Ministry of Foreign Affairs present their compliments to the U.S.S.R. Embassy and in reply to the U.S.S.R. Government's Note of 21st May, 1952, handed personally by his Excellency M. A. Y. Vyshinsky to Mr. Arasteh, the Persian Ambassador in Moscow, have the honour to quote below the exact text of the letter addressed by Dr. Musaddiq, Persian Prime Minister, on the 24th April, 1952, to Mr. Loy Henderson, the American Ambassador:

"M. l'Ambassadeur,

"In continuation of our verbal discussions I wish to inform your Excellency that owing to the present financial and economic situation my Government welcomes the assistance which your Government is prepared to render to this country, and that it will support and defend the principles of the United Nations Charter so far as the wealth, resources and the general conditions of

Persia allow. Furthermore it will do whatever it can to strengthen its defence capacity and in the event of being attacked from any side it will defend its freedom and independence with all its might."

A full study of the letter will show that the Persian Government has made no undertaking other than those which other member States of the United Nations Organisation, including the U.S.S.R. Government have accepted and have bound themselves to observe.

There are therefore no grounds for the assumptions made by the Soviet Government in this connexion. The statements made by Mr. Bushihri, Minister of Roads and Government's former spokesman were as follows:—

On the 28th Isfand 1330 (19th March, 1952):

"The American Government have agreed to follow a mission of American officers to remain in Persia temporarily under the present conditions in order that the two Governments may have sufficient time for consultation as regards the future of the said mission. By a decision of the Council of Ministers it was decreed that so long as no decision had been taken about the salaries and

allowances of the mission they should be paid in accordance with the law of 1st Aban 1322 (24th October, 1943)."

On 27th April, 1952, to which reference has been made, he spoke as follows:—

"I have already said that military experts will continue their services as before until the Government has taken its next decision."

From the above statements it is quite clear that the assumptions and conclusions contained in the note under reference concerning the Persian army and other matters have no foundations whatsoever, that the Imperial Government has never taken any action contrary to the Treaty of Friendship dated the 26th February, 1921, and that Dr. Musaddiq's Government has pursued no other policy than that of impartiality.

It is hoped that the friendly and neighbourly relations which fortunately exist between the two Governments of Persia and the U.S.S.R. will be consolidated and strengthened every day.

Compliments,

Seal of Ministry of Foreign Affairs.

*The U.S.S.R. Embassy,
Tehran.*

EP 1015/147

No. 49

DEVELOPMENTS IN THE PERSIAN INTERNAL SITUATION

Mr. Middleton to Mr. Eden. (Received 9th July)

(No. 230. Confidential) *Tehran,
8th July, 1952.*

With reference to my recent telegrams on the Persian internal situation ending with my telegram No. 459 of 6th July, I have the honour to report further details of the developments of the past few days.

2. The Imam Jume'h, President of the Majlis, saw the Shah alone at 9 o'clock on Sunday morning, 6th July. The Shah informed the Imam Jume'h that he was in favour of Qavam-us-Saltaneh coming into power and instructed the Imam Jume'h to obtain a vote of inclination from the Majlis. The latter replied that the Majlis was not yet ready to give a vote of inclination to Qavam-us-Saltaneh and if a vote were to be taken immediately Dr. Musaddiq would obtain a majority. The Shah replied that the Imam Jume'h need have no anxiety on that score as he had spoken to several people

and he insisted that a vote of inclination should be taken immediately. He further remarked that it was not a good thing for the country to remain without a Government in the present confused state of affairs and added that he had heard that Government supporters had closed the bazaar and intended to stage large demonstrations. The Imam Jume'h replied that the bazaar had been closed for a few minutes only but had opened again and that the Military Governor had the situation well in hand. There was no danger of demonstrations reaching serious proportions. Nevertheless, the Shah insisted that a vote of inclination be taken immediately.

3. The Shah then summoned the remaining members of the Majlis Committee and the Senate Committee and made a short statement which contained the following phrases: "In the case of oil nationalisation

we have already achieved successes and we cannot relinquish these successes. The plan for the nationalisation of the oil will guide us in the future and we shall proceed with it. The two Houses must now agree on the future Government and make known their decision." These remarks of His Majesty seem to have been taken by the Deputies as indication that he wished the Musaddiq Government to stay in power and it appears probable that he allowed it to be whispered among the Deputies that this was his wish while, at the same time, telling the supporters of Qavam-us-Saltaneh that he favoured him.

4. The Imam Jume'h, realising the gravity of the situation, tried to persuade his supporters to leave the Majlis so that there would not be a quorum. However, only eleven left and sixty-five Deputies remained: sufficient to take a vote. Malik Madani then proposed that the vote be taken and said that people were speaking against the Government outside the Majlis but this was not the time for such criticism and the Government should be supported. A vote of inclination was then taken with the result that Musaddiq gained fifty-two votes, Qavam-us-Saltaneh two, and Intizam one, with ten abstentions.

5. The Shah appears to have been playing a very curious game. On the evening of 5th July he sent Asadullah Alam, who is one of his close confidants, to see Qavam-us-Saltaneh with a message to the effect that he (the Shah) was in favour of his coming to power and wished Qavam to be more active himself. At 10 o'clock on the morning of 6th July he told Senator Ali Dashti that he supported Qavam-us-Saltaneh and instructed Dashti to pass this message on. Later the same morning the Queen-Mother sent a message to Qavam informing him that the Shah was in favour of him and urging him to show more activity on his own behalf. Again on Sunday morning one of the Shah's personal assistants told Qavam that he would be charged with forming a new Cabinet and should prepare himself for this task.

6. A meeting of Senators was held on the evening of 6th July to discuss the new situation brought about by Musaddiq's vote of inclination and to decide what action should be taken by the Senate. The general plan was that the Senate should vote for Hakimi, and there seemed to be some chance of this being agreed upon when Dr. Human, the Vice-Minister of Court, arrived with a message from the Shah. Dr. Human said

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that His Majesty wished the Senate to vote unanimously for Dr. Musaddiq. This decision naturally confounded the Senators who attacked Dr. Human with considerable vigour. Dr. Human confessed that he was completely unable to understand what the Shah's motives were and said that such decisions were driving him to distraction. Later the same evening two Senators, who had not been present at the meeting, telephoned to say that the Minister of Court had instructed them to vote for Dr. Musaddiq. Later still that night the Senators received a message to the effect that Qavam-us-Saltaneh had decided to go to France.

7. There is no room for doubt that the Shah is entirely responsible for these most recent developments. The majority of intelligent public opinion does not appear to support the Government whose power lies in its control of the police and the propaganda machine (particularly Radio Tehran) rather than in genuine popular support. Very little action would have been required by the Shah to prevent Musaddiq obtaining a vote of inclination. Had he not insisted that this vote be taken on 6th July, had he allowed the Opposition to choose their own time and had he indicated to Members of both Houses that he wished Qavam-us-Saltaneh to be elected Prime Minister, it is likely that a change of Government would have taken place with little or no disturbance. He could have virtually assured a change if he had reverted to the traditional method of issuing a decree appointing a new Prime Minister and sending it to the Houses for subsequent approval; in my opinion it is unlikely that the National Front would have been able to take effective measures against such action. However, the Shah chose to support Dr. Musaddiq in spite of the numerous assurances he has given to many people in the course of the last two or three weeks that he wished the Government to fall. It is extremely difficult to analyse the Shah's motives, but it has been seriously suggested that Musaddiq has some information about the Shah which he uses to blackmail him every time there is danger of his Government falling. The Shah, although weak, is not unintelligent, and he must realise that his support of Musaddiq can only worsen the already very grave economic situation of the country. My United States colleague has spoken in this sense to His Majesty in the frankest terms and I do not think the Shah can doubt that his apparent continued subservience to Musaddiq must seriously endanger the support he can hope

to get from the West, both for his country and for his throne. Indeed, it seems clear to me that from now on Persian public opinion will hold the Shah equally responsible with Musaddiq for future developments, and if the present decline in political and economic life leads in time to a situation which can only be resolved by drastic, even revolutionary, means, the monarchy may well fall in that process. The Shah is neither able to accept the responsibilities which are properly his under the Constitution nor willing to delegate them to a strong Prime Minister. He cannot for much longer remain balanced between two negative courses of action.

8. The future is difficult to foresee, but it seems likely that Musaddiq will present the "programme" reported in my despatch No. 223 E. of 30th June to the Majlis. Both

Houses are opposed to this programme, but if the Shah tells them to support it they are likely to do so. The return of Princess Ashraf two days ago may, however, change the atmosphere, since she is openly opposed to Musaddiq and unlikely to remain aloof from politics.

9. I am, of course, keeping in close touch with my United States colleague whose understanding of recent events is in all essential respects the same as that given above, and I shall report further developments.

10. I am sending copies of this despatch to Her Majesty's Representative at Washington and to the Head of the British Middle East Office at Fayid.

I have, &c.

G. H. MIDDLETON.

No. 50

"ROSE MARY" AND PERSIAN OIL

(No. 156. Intel. Restricted) July 8, 1952.

This case has already received wide publicity in the world press. For convenience, however, you may like to have the summary of the facts.

2. The 632-ton tanker *Rose Mary* is owned by a Swiss named Rizzi and was chartered to a Swiss firm, Bubenbergh and Company, who were using it on behalf of an Italian firm, Ente Petrolifero Italia Medio-Oriente (E.P.I.M.) for the transport of about 700 tons of Persian crude oil from Bandar Mashur to an Italian port. It is believed that E.P.I.M. intended to refine the oil in Italy and then export the refined product to Switzerland, and perhaps partly to Spain.

3. The Anglo-Iranian Oil Company, who have publicly made known their intention to protect their rights in any country (see my Intel No. 344 of 11th December, 1951), communicated with the owner who endeavoured first of all to prevent the use of the vessel for the purposes of carrying

oil, and later, to get it to put into Aden. The owner's representative boarded the vessel off Aden on 17th June, and instructed the master to put into Aden which he did that evening. An A.I.O.C. representative on the spot then requested the master to deliver the oil to the A.I.O.C., which he refused to do. Therefore, on 18th June, A.I.O.C. began an action for *détenu* of the cargo in the Aden Supreme Court and obtained a temporary injunction prohibiting removal of the cargo from Aden. At a hearing on the following day the owner did not oppose the injunction, and the Court continued the injunction pending the hearing of the suit and requested written defences to be submitted by 16th July.

4. There is no truth in suggestions that Her Majesty's Government used force to bring the vessel into Aden. The R.A.F. at Aden assisted in the search for the vessel but did not communicate with her at any time during her voyage.

No. 51

PERSIAN CLAIM TO HAVE STRUCK OIL AT QUM

Mr. Middleton to Mr. Eden. (Received 10th July)

(No. 231 E. Confidential) Tehran, July 8, 1952.

Sir, With reference to your telegram No. 420 of the 5th July I have the honour to inform

you that the Iranian Oil Company (I.O.C.), established under the Seven-Year Plan Law of 1949 and distinct from the National Iranian Oil Company (N.I.O.C.), claims to

have struck oil near Qum on the 2nd July. The following is a translation of an article in the *Journal de Teheran* of the 6th July:—

Yesterday morning the Seven-Year Plan Organisation published the following communiqué: "The Plan Organisation has great pleasure in announcing that a field of oil was struck, at a depth of 2,288 metres, at 11 p.m. on Wednesday, 2nd July, at Well No. 3 drilled by the Iranian Oil Company 12 kilom. north of Qum."

Engineer Mostofi, a member of the company's board of directors, left for the area on Wednesday. Our reporter spoke to him by telephone and received the following information: "Although the oilfield has only been penetrated by one metre, production has already reached 1,000 gallons a day. The pressure is 400 atmospheres."

2. This news has been widely commented upon in the press during the past few days. Some newspapers have even begun to talk of building a small refinery in the area, and others have calculated the amount of money which will be saved on transportation costs from Abadan when the oil from Qum is used to supply North Persia.

3. Information which my Commercial Counsellor obtained on the 6th July from Mr. Ganzer, one of the Swiss geologists working for the I.O.C., suggests that the company's claim is only a little premature. According to him, the salt-bearing strata had been pierced and it was expected that the hard crust immediately over the oilfield would be penetrated very shortly. There had already been signs of oil and gas, and pressure had built up to 5,000 lb. per square inch. It may be that this mixed oil and gas represents the "production" referred to by Mr. Mostofi. Because of the pressure, operations had been suspended and the well temporarily sealed whilst pyrites, and other materials to increase the density of the water used in the drilling, were obtained. Mr. Ganzer hoped that these materials would be available by the end of this week and was confident that oil would then be struck within a few days. Judging from the indications so far obtained

and the geological formation, he estimated that the yield from the well might run to 200-300 barrels a day. He did not anticipate that the field would be a large one.

4. Two other wells had been sunk previously. The first well soon ran into a large fault and was abandoned; the second was drilled deep for testing purposes only and, as a result of the experience gained, the drilling of the third well was undertaken. At the beginning of 1952 the drill in this well broke and, as it proved impossible to recover the drill, the break was by-passed, causing a delay of three months.

5. Mr. Ganzer also said that the team of Swiss geologists had completed its oil surveys of Baluchistan, Gurgan and Mazanderan, and had also carried out some surveys in Azerbaijan. Results in Baluchistan were entirely negative. There were very promising signs of oil-bearing formations in Gurgan and, to a lesser extent, in Mazanderan. In Azerbaijan there were indications of oil, especially on the Moghan Steppe, which warranted further investigation. Most of the surveying had been done on the ground, but in Gurgan and Mazanderan considerable assistance by photographic reconnaissance was given by the Persian air force. Incidentally Mr. Ganzer said that the three wells drilled by the Russians in Mazanderan during the war were very badly sited.

6. The reported oil strike near Qum has already led to a number of enquiries being made at this embassy by local newspapers. The chief question has been whether the A.I.O.C. and/or Her Majesty's Government would put obstacles in the way of the Persian Government's disposing of oil from this source to foreign buyers, in view of the fact that the I.O.C. borrowed equipment from the N.I.O.C. to help it in the final stages of the drilling (please see paragraph 11 of my Economic Report No. 7). My Information Secretary has been briefed to reply to enquiries that we have no official information of the new oilfield and that it does not appear to be a matter which concerns this embassy.

I have, &c.

G. H. MIDDLETON.

DEVELOPMENTS IN THE INTERNAL SITUATION IN PERSIA

Mr. Middleton to Mr. Eden. (Received 17th July)(No. 234. Confidential) *Tehran, 14th July, 1952.*
Sir,

With reference to my despatch No. 230 of 8th July and my recent telegrams on the Persian internal situation ending with my telegram No. 475 of 14th July, I have the honour to report the following further developments.

2. The Senate met on 7th July to consider their action in view of the vote of inclination accorded to Dr. Musaddiq by the Majlis. The Senators decided to send a letter to the Shah in which they stated that they were not prepared to give a vote of inclination to Dr. Musaddiq until they had had an opportunity to study his programme. Dr. Musaddiq went to see the Shah the same evening and informed him that for his part he was not prepared to accept this kind of evasion by the Senators and that he required a clear vote of inclination before taking office. As a result of this deadlock the Shah summoned the Senate Presidential Committee the following morning and told them that it was his wish that a vote of inclination be given to Dr. Musaddiq. The Senate met again on 9th July and, in spite of the insistence of the Shah and the vigorous lobbying of the Minister of Court, only fourteen out of thirty-six Senators present voted for Dr. Musaddiq. The Shah thereupon summoned the Senators to meet him the same evening. After a long and somewhat stormy meeting the Senators agreed to send at once a delegation to explain their point of view to Dr. Musaddiq, namely that their failure to give a more clear-cut vote was not intended as a sign of opposition but merely as an expression of their wish to study the Government's programme before giving a final decision upon it. To this Dr. Musaddiq replied that he must consult the Majlis as to the next step and the following evening a delegation of eighteen Deputies went to see him at his request. Discussion lasted from 5.30 p.m. until 10 p.m. on 10th July and it was eventually agreed that Dr. Musaddiq should accept the imperial *farman* and present his programme to the Majlis at the first opportunity.

3. On 13th July a private session of the Majlis was held which Dr. Musaddiq attended in person. He asked for six months' full powers in the fields of justice,

finance, economics, administration and personnel. There was considerable debate concerning these proposals, which did not meet with the approval of some of the Deputies. The session was long-drawn-out and no final decision was taken. The Deputies are meeting in private to-day to try to reach agreement. The exact details of Dr. Musaddiq's proposals have not been revealed, but they are believed to contain suggestions for a capital levy, higher taxation, an increase of the banknote issue and substantial cuts in the civil service. It is difficult at the moment to foresee whether the Majlis will agree to them or not but it seems likely, in view of the Shah's recent support of Musaddiq, that a compromise will be arrived at which will enable Dr. Musaddiq to remain in power.

4. The events of the last week have strengthened Dr. Musaddiq's position in the country considerably. It is now clear that he is supported by the Shah and, however illogical it may seem, there is consequently a general assumption that he is also supported by the Americans. As evidence of this, Persians quote the fact that the Minister of Court, who is known to be a close friend of the American Ambassador, has been canvassing strongly for the retention of Dr. Musaddiq in office. Other "proofs" mentioned are the assistance to Persia under Point Four, stories of imminent oil deals with American companies, and the fact that the Shah, not being strong enough to stand alone, must have a leaning-post which, since it is neither the U.S.S.R. nor Britain, can only be America. Furthermore, Government gangs of thugs and cut-throat demonstrators appear to be organised on a nation-wide basis and to be well supplied with funds; the Government is known to have no money, so it is naturally assumed that these funds are also supplied by the Americans. (As an example of the efficient organisation of the Government National Front supporters, at the time of Musaddiq's resignation there was a "spontaneous" demonstration organised at Abadan which demanded Musaddiq's return to power. This demonstration, which was undoubtedly contrived, almost certainly had some effect on the Shah.)

5. In conversations with people whom he knows to be in touch with us the Shah has

made some effort to defend his conduct. He points to his long-held opinion that Musaddiq must go quietly and must be overthrown by parliamentary means in the Majlis. He contends that it was not his wish that the Imam Jume'h should immediately go and take a vote of inclination from the Majlis last Sunday but that he should first have consulted both Houses. (It is, however, curious that the Shah sent a message to the Opposition Deputy, Mir Ashrafi, saying that he wished to see him that morning. Mir Ashrafi was kept waiting for two hours while the vote of inclination was taken and, in the end, the Shah did not see him. His Majesty now says that the retention of Mir Ashrafi was the work of the Imam Jume'h, but I am very disinclined to believe this.) Some friends of the Shah maintain that he has overestimated the strength of public support enjoyed by Musaddiq and is afraid to take any action to bring about his fall so long as "the people are behind him." The Shah has told Sayyid Zia that he wished to bring in Allahyar Salih, thereby splitting the National Front and, at the same time, avoiding any violent change. He contends that as both the British and the Americans were opposed to Salih no one would be able to accuse the latter of being the servant of foreigners. He also accuses us of not being frank with him and complains that he does not know what our policy is or what we want. He stated that he refused to receive me on my return from London on purpose as, if a new Prime Minister were to be appointed after an audience between the Shah and myself, everyone would say that the British had stage-managed the change. In the last few days the Shah has let it be known to certain Deputies that he wishes discussions of Dr. Musaddiq's programme to be prolonged until after The Hague Court has issued its verdict, since if the court finds itself competent the removal of Musaddiq, in His Majesty's opinion, would be rendered much easier. But it equally follows that in the event of a vote of non-competence it would be impossible to remove him as this would be "against the people's will."

6. The Opposition is at present cowed, discouraged and frightened. They have been startled by the strength and organisation of Government-supported cut-throat gangs and the revelation of a plot to assassinate Mir Ashrafi, the Imam Jume'h, Dr. Tahiri and Senators Farrukh and Masudi. An attempt was made on Mir

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Ashrafi's life on Saturday but the paid assassin did not have the courage to go through with his task. In this connexion the Chief of Police, General Kupal, was summoned to the Majlis yesterday to give an explanation. In the presence of Mir Ashrafi, the Chief of Police said: "It was not anything important; we are investigating it." The suggestion that an attempt to kill him was not important so enraged Mir Ashrafi that he boxed the Chief of Police's ears and the latter replied in kind.

7. The Opposition appear, to some extent, to have sunk their personal differences concerning a successor to Dr. Musaddiq. They have at last realised that in the present situation they have no hope of success unless they present a united front. They are trying to find a rallying point in the figure of Qavam-us-Saltaneh, but the latter, up to the present, has shown very little activity himself.

8. The Minister of Court told my United States colleague that at one of his recent audiences with the Shah Dr. Musaddiq had asked—

- (a) that some means should be found to remove the Imam Jume'h from the presidency of the Majlis, and that someone more acceptable to the National Front should be substituted; and
- (b) that, in order that Musaddiq might be able to consult frequently, quickly and without the intervention of intermediaries, he, Musaddiq, should move into a wing of the palace where he could be in close and constant touch with the Shah.

Mr. Henderson derived the impression that these two suggestions somewhat alarmed His Majesty. With regard to (a) Dr. Musaddiq told the Shah before the Imam Jume'h's election that if the latter were elected he, Musaddiq, would be unable to work with him.

9. The Senate's opposition to Dr. Musaddiq, while weakening the latter's position somewhat among the educated classes, has probably strengthened him in the eyes of the mass of the people. It is relatively easy for Government propaganda to represent the Senate as a reactionary, blood-sucking body totally subservient to foreigner interests, and in so unequal a popularity contest Musaddiq clearly stands to win a good deal. I tend, therefore, to the view that the pendulum of uneducated opinion which has been swinging away

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from Musaddiq in the last few months has now started to swing back, while educated opinion, although still opposed, is discouraged and unlikely to be capable of inspiring effective counter-action. In these circumstances it seems probable that Musaddiq may remain in power for some time to come unless the Shah changes his tactics and the Americans succeed in dispelling the impression that they are the "secret forces" behind the scenes which render it possible for Musaddiq to remain.

10. The Senate has now gone into summer recess, although it can, if necessary, meet at any time in special session. Princess Ashraf, in whom the Opposition place some hope, has shown no signs of activity and is said to be closely watched.

11. I am sending copies of this despatch to Her Majesty's Ambassador at Washington and the head of British Middle East Office at Fayid.

I have, &c.

G. H. MIDDLETON.

EP 1015/63 G

No. 53

APPROVAL BY HER MAJESTY'S GOVERNMENT OF THE TRANSFER OF £1,800 IN PAYMENT OF A FEE TO MAÎTRE ROLIN

(No. 74) *Tehran, July 16, 1952.*
Her Majesty's Embassy present their compliments to the Imperial Ministry of Foreign Affairs and are instructed to reply as follows to the Ministry's note No. 1899 of the 29th June, 1952 (8 Tir 1331).

As regards the request for the transfer of £1,800 Her Majesty's Government, having learned from the Ministry's note under reference that this was in payment of a fee to Maître Rolin, have agreed it should be approved if the application were re-submitted on Persian Government account. An intimation in this sense was given on the 27th June last by the Bank of England to the Bank Melli's London banker from whom the original application was received. Approval was withheld from the other transfer mentioned in the Imperial Ministry's note under reference in accord with the provisions of the Italian-Persian Trade and Payments Agreement of the 3rd February, 1952, under which it is understood that settlement in sterling would not be authorised.

With reference to the general allegations that Her Majesty's Government are taking unilateral and illegal decisions and proving themselves indifferent to the principles governing normal banking and trade relations, Her Majesty's Embassy are instructed

to point out that as the former memorandum of understanding between the Bank Melli and the Bank of England to which the Ministry's note no doubt refers has not been renewed since its expiry on the 20th November, 1951, Persia has no claim on Her Majesty's Government for special facilities in regard to the use of sterling. The decision not to renew the memorandum of understanding is sufficiently justified by the considerations set out in this embassy's note No. 126 of the 11th September, 1951, in which it was explained to his Excellency the Minister for Foreign Affairs that the Imperial Government's action (which had deprived British interests of Persian oil) had left Her Majesty's Government no alternative but to withdraw certain exceptional facilities hitherto granted to Persia by virtue of the importance of Persian oil to the economy of the United Kingdom. Her Majesty's Government have, however, in practice authorised the Bank of England to approve transfers of sterling to and from Persia subject only to such limitations as appear necessary to protect the economy of the United Kingdom. As the Imperial Government will be aware approval has consequently been forthcoming for the majority of transfers for which application has been made.

EP 1015/154

No. 54

SHAH FACED WITH DIFFICULT INTERNAL CRISIS

Mr. Eden to Mr. Middleton (Tehran)

(No. 436. Confidential) *Foreign Office, July 17, 1952.*
(Telegraphic)

It appears that the Shah is facing a crisis, on the outcome of which his whole future may depend.

2. Unless you see objection, and if possible in concert with your American colleague you should do all you properly

can to ensure that the deductions which you rightly draw in paragraph 4 of your telegram under reference are also drawn by all who are in a position to influence the Shah. You should avoid giving the impression that we favour any particular candidate as an alternative to Musaddiq.

EP 1015/154

No. 55

PRESENTATION TO SHAH BY DR. MUSADDIQ OF LIST OF NEW CABINET

Mr. Middleton to Mr. Eden. (Received July 17)

(No. 484) *Tehran, July 17, 1952.*
(Telegraphic)

[EXTRACTS]

2. Yesterday afternoon Musaddiq visited the Shah to present list of new Cabinet. He said that he proposed to take portfolio of Ministry of War himself, since interference of General Staff in recent elections and in current politics could not continue. Musaddiq insisted that he must have completely free hand, including control of armed forces, in order to carry on his emergency programme under the Full Powers for which he was asking. He added he would in consequence appoint his own nominee as

Chief of the General Staff. The Shah demurred strongly and after heated discussion informed Musaddiq that his terms were unacceptable. Whereupon Musaddiq handed in letter of resignation.

4. If the Majlis now supports Musaddiq the position of the Shah will be extremely delicate. Such a vote would, in fact, be one hostile to the Shah and the alternatives before him would appear to be either to accept it and thereby abdicate much of his power or to refuse and issue farman in favour of some person such as Qavam. In the latter event dissolution of the Majlis would probably be inevitable.

EP 1015/160

No. 56

NEED FOR THE NEW PERSIAN PRIME MINISTER TO HAVE AN INDICATION OF THE ATTITUDE OF HER MAJESTY'S GOVERNMENT TO THE LATEST DEVELOPMENTS

Mr. Eden to Mr. Middleton (Tehran)

(No. 439) *Foreign Office, July 18, 1952.*
(Telegraphic)

[EXTRACTS]

The new Prime Minister will no doubt wish to have an early indication of the attitude of Her Majesty's Government to his Government and to the possibility of concluding an oil settlement. It may also be necessary for me to give a public indication of the attitude of Her Majesty's

Government to the latest developments.

3. Unless you see objection, I should like you to speak to Qavam whenever you think fit on the following lines.

4. As Qavam has already been informed, he will have the encouragement of Her Majesty's Government in reaching a satisfactory solution of the oil question. They would welcome Qavam's views on the possibility of a settlement and the manner in which the negotiations might be conducted.

They feel that if these are to have any chance of success they should be conducted in the strictest secrecy. They would further be prepared to consider any suggestions which Qavam might wish to make as to any political gesture by which Her Majesty's Government might contribute to an improvement in the political atmosphere which they assume will come about as a result of the change of Government in Tehran. Qavam will understand that in the event of progress towards a satisfactory settlement of the oil question, the various economic and financial measures which Her Majesty's Government were obliged to take

as a result of the cessation of oil exports would be suitably relaxed.

5. You should, at your discretion, make it clear to Qavam that Her Majesty's Government are not solely interested in the settlement of the oil dispute. They also expect the new Persian Government to take vigorous steps to improve the well-being of the Persian people for which the regular flow of oil revenues is, of course, a condition precedent.

6. If the Shah asks to see you, you may inform him of the communication which I have authorised you to make to Qavam.

EP 1532/241

No. 57

UNDERTAKING BY THE UNITED KINGDOM TO SUPPLY ITALY'S OIL REQUIREMENTS SUBJECT TO AVAILABILITY

Mr. Eden to Sir V. Mallet (Rome)

(No. 377. Confidential) *Foreign Office,*
(Telegraphic) *July 19, 1952.*

Persian Oil.

Before the final meeting of the Anglo-Italian Economic Committee Sir R. Makins spoke to Signor Corrias about the paragraph in the Agreed Minute in which we undertook to supply Italy's oil requirements subject to availability. Sir R. Makins made it clear that this undertaking was given on

the understanding that the Italian authorities would continue to do all they could to discourage any action which would weaken the position of Her Majesty's Government and the Anglo-Iranian Oil Company in the Anglo-Persian oil dispute.

2. Signor Corrias assured Sir R. Makins that the attitude of the Italian Government had been, and would continue to be, entirely correct in this respect.

EP 1015/16

No. 58

PERSIAN INTERNAL SITUATION

Mr. Eden to Mr. Middleton (Tehran)

(No. 453. Secret) *Foreign Office,*
(Telegraphic) *July 21, 1952.*

Assuming that if United States Ambassador saw the Shah his object would be to urge the latter to back up Qavam, you should make similar representations by whatever means you think suitable.

2. Best line might be to play on the Shah's fears as expressed in paragraph 1 of your telegram under reference and make him realise that it is by letting Qavam down, not by supporting him, that he is most likely

to bring about his own downfall.

3. You should also let the Shah know of the communication you have been authorised to make to Qavam (my telegram No. 439, paragraph 4).

4. In view of the Shah's suspicion of Qavam where throne is concerned, you may also assure the Shah that we wish to see the best possible relations between His Majesty and his Prime Minister and will use all our influence to that end.

EP 1539/83

No. 59

ANGLO-IRANIAN OIL CASE: JUDGMENT

International Court of Justice, July 22

The Hague,
July 30, 1952.

The following information from the Registry of the International Court of Justice has been communicated to the press:—

To-day the International Court of Justice delivered its judgment in the Anglo-Iranian Oil Company case, which had been submitted to it by the United Kingdom Government on May 26, 1951, and which had been the subject of an objection on the ground of lack of jurisdiction by the Government of Persia.

By nine votes against five, the court declared that it lacked jurisdiction. The judgment is followed by a separate opinion by Sir Arnold McNair, President of the Court, who, while concurring in the conclusion reached in the judgment, for which he had voted, added some reasons of his own which had led him to that conclusion. The judgment was also followed by four dissenting opinions by Judges Alvarez, Hackworth, Read and Levi Carneiro.

On July 5th, 1951, the court had indicated interim measures of protection in this case, pending its final decision, stating expressly that the question of the jurisdiction on the merits was in no way prejudged. In its judgment of to-day's date, the court declares that the order of July 5th, 1951, ceases to be operative and that the provisional measures lapse at the same time.

The judgment begins by recapitulating the facts. In April 1933, an agreement was concluded between the Government of Persia and the Anglo-Iranian Oil Company. In March, April and May 1951, laws were passed in Persia, enunciating the principle of the nationalisation of the oil industry in Persia and establishing procedure for the enforcement of this principle. The result of these laws was a dispute between Persia and the company. The United Kingdom adopted the cause of the latter, and in virtue of its right of diplomatic protection it instituted proceedings before the court, whereupon Persia disputed the court's jurisdiction. The judgment refers to the principle according to which the will of the parties

is the basis of the court's jurisdiction, and it notes that in the present case the jurisdiction depends on the declarations accepting the compulsory jurisdiction of the court made by Persia and by the United Kingdom under article 36, paragraph 2, of the statute. These declarations contain the condition of reciprocity, and as that of Persia is more limited, it is upon that declaration that the court must base itself.

According to this declaration, the court has jurisdiction only when a dispute relates to the application of a treaty or convention accepted by Persia. But Persia maintains that, according to the actual wording of the text, the jurisdiction is limited to treaties subsequent to the declaration. The United Kingdom maintains, on the contrary, that earlier treaties may also come into consideration. In the view of the court, both contentions might, strictly speaking, be regarded as compatible with the text. But the court cannot base itself on a purely grammatical interpretation: it must seek the interpretation which is in harmony with a natural and reasonable way of reading the text, having due regard to the intention of Persia at the time when it formulated the declaration. A natural and reasonable way of reading the text leads to the conclusion that only treaties subsequent to the ratification come into consideration. In order to reach an opposite conclusion, special and clearly established reasons would be required: but the United Kingdom was not able to produce them. On the contrary, it may be admitted that Persia had special reasons for drafting her declaration in a very restrictive manner, and for excluding the earlier treaties. For, at that time Persia had denounced all the treaties with other States relating to the régime of capitulations; she was uncertain as to the legal effect of these unilateral denunciations. In such circumstances, it is unlikely that she should have been willing on her own initiative to agree to submit to an international court disputes relating to all these treaties. Moreover, the Persian law by which the Majlis approved and adopted the declaration, before it was ratified provides a decisive confirmation of Persia's intention, for it states that the treaties and conventions which come into consideration are those

which "the Government will have accepted after the ratification."

The earlier treaties are thus excluded by the declaration, and the United Kingdom cannot therefore rely on them. It has invoked some subsequent treaties: namely, those of 1934 with Denmark and Switzerland, and that of 1937 with Turkey, by which Persia had undertaken to treat the nationals of those Powers in accordance with the principles and practice of ordinary international law. The United Kingdom claims that the Anglo-Iranian Oil Company has not been treated in accordance with those principles and that practice; and in order to rely on the above-mentioned treaties, though concluded with third parties, it founds itself on the most-favoured-nation clause contained in two instruments which it concluded with Persia: the treaty of 1857 and the commercial convention of 1903. But the two latter treaties, which form the sole legal connexion with the treaties of 1934 and 1937, are anterior to the declaration: the United Kingdom cannot therefore rely on them, and, consequently, it cannot invoke the subsequent treaties concluded by Persia with third States.

But did the settlement of the dispute between Persia and the United Kingdom, effected in 1933 through the mediation of the

League of Nations, result in an agreement between the two Governments which may be regarded as a treaty or convention? The United Kingdom maintains that it did: it claims that the agreement signed in 1933 between the United Kingdom and the company had a double character; being at once a concessionary contract and a treaty between the two States. In the view of the court, that is not the case. The United Kingdom is not a party to the contract, which does not constitute a link between the two Governments or in any way regulate the relations between them. Under the contract, Persia cannot claim from the United Kingdom any rights which it may claim from the company, nor can it be called upon to perform towards the United Kingdom any obligations which it is bound to perform towards the company. This juridical situation is not altered by the fact that the concessionary contract was negotiated through the good offices of the Council of the League of Nations, acting through its rapporteur. The United Kingdom in submitting its dispute with Persia to the League Council, was only exercising its right of diplomatic protection in favour of one of its nationals.

Thus the court arrives at the conclusion that it lacks jurisdiction.

EP 1532/247

No. 60

**STATEMENT BY HER MAJESTY'S GOVERNMENT THAT IT REGARDS
THE PRODUCTS OF THE OIL INDUSTRY IN SOUTH PERSIA
AS THE PROPERTY OF THE A.I.O.C.**

Mr. Eden to Mr. Middleton (Tehran)

(No. 460)
(Telegraphic)

*Foreign Office,
July 23, 1952.*

The following statement was made by the Prime Minister in the House of Commons this afternoon in answer to a private notice question:—

"Her Majesty's Government have made it clear on many occasions that they regard products of the oil industry in South Persia as the property of the Anglo-Iranian Oil Company and that all practical steps will be taken to prevent any attempt on the part of the Persian Government to dispose of

this oil in any manner to third parties. The fact that the International Court of Justice has ruled that it itself is not competent to adjudicate upon the claim which Her Majesty's Government brought before it merely means that the court cannot pronounce on the merits of the claim one way or the other. It does not in any way affect the validity of the claim nor does it affect the undoubted right of Her Majesty's Government to continue to support one of its nationals, namely, the A.I.O.C., in its attempts to secure satisfaction for the wrong it has suffered."

No. 61

**DISCUSSION BETWEEN HER MAJESTY'S AMBASSADOR AND DR.
MUSADDIQ ABOUT THE POSSIBILITY OF A SETTLEMENT
OF THE OIL DISPUTE**

Mr. Middleton to Mr. Eden. (Received July 25)

(No. 518. Confidential)
(Telegraphic)

*Tehran,
July 25, 1952.*

Musaddiq sent for me this morning. He was as usual in bed but I thought he seemed cheerful and physically in good shape.

2. Musaddiq said that he wanted to know whether we wished to settle the oil dispute or preferred to let it drag on indefinitely. We had failed at the Security Council and at The Hague and we had failed to overthrow his Government. We must now realise that our legal position was hopeless and that we were dealing with a united Persian people firm in their resolve to maintain nationalisation laws. Many hard words had been said in the past but he hoped that a new chapter might be opening and that we could come to a settlement which would in turn lead to sincere and friendly relations between the two countries. The only outstanding point to be settled was the question of compensation and he hoped that we would now agree to start discussions. He had outlined some time ago the various bases on which he would be prepared to settle (my telegram No. 1755 of 1951) and he hoped to hear one of the proposed methods was acceptable to Her Majesty's Government.

3. I refuted vigorously Musaddiq's interpretation of the situation along the obvious lines. I said that a wrong had been done us and we had offered on many occasions to submit our case to some form of settlement under international auspices since direct negotiations had failed. The Hague Court case had merely shown that Persia was unwilling to submit to the jurisdiction of the Court and was apparently frightened to let an impartial international bench decide the merits of the case. Compensation was by no means the only question; he himself had denied the validity of the 1933 Agreement [group undecipherable] that the legal dispute existed which affected the whole question of the sanctity of contracts. I denied that the recent crisis was in any way attributable to the British or that the latest change of Government could be interpreted as a British defeat. Our dispute was with the Persian Government whoever might be in power from time to time.

4. Musaddiq then launched into his now familiar rehearsal of the alleged wrongs done to Persia in the past and I again had to refute him at some length.

5. Musaddiq finally came down to the real object of the conversation. He said that the Persian Government was in a desperate financial situation. The country was on the verge of revolt and immediate steps must be taken to restore the authority of the Government which could only be done if the Government had the money. He could go to the Majlis with a programme of drastic economy measures and budgetary cuts but he was afraid that such a programme would do little to allay the existing unrest. What he wanted to do was to settle the oil dispute and to get finances of the country back to normal. If we were not prepared to agree that compensation should be settled by one of the methods he had already suggested and in view of my remarks about The Hague Court case he wondered whether Her Majesty's Government would accept some general formula which might give a hope of settlement. He then authorised me to say that he would be prepared to seek the agreement of the Majlis and the Senate to a form of arbitration. The formula should be that the two Governments would agree that "the dispute regarding the Southern oil question" shall be submitted to arbitration, each country to name its arbitrator who would in turn agree on a third *sur-arbitre*; the two Governments would of course undertake to abide by the decision of the Arbitral Board. He was anxious that no mention should be made in the formula of the 1933 Agreement and that the formula should be as general as possible so that the terms of reference should not exclude the discussion on any useful points. He was also afraid that anything more specific would not be approved by the Persian Parliament.

6. If Her Majesty's Government wished to accept the foregoing suggestion Musaddiq would have to be able to count on some immediate financial aid. He had in mind one of three possibilities:—

(a) that the Anglo-Iranian Oil Company should pay the Persian Government sums set aside for the accounts of

the Persian Government in the recently-published balance sheet of the company;

(b) that the £10 million or so on the Persian Government account now held in London should be made convertible into dollars;

(c) that if (b) was not acceptable we should at least agree to supply sugar and other essential requirements against sterling.

7. In view of the urgency of the financial situation Musaddiq asked if he could have at least a preliminary reply by Monday, 28th July.

8. See my immediately following telegram.

Foreign Office pass Washington (Priority) and Memin Fayid as my telegrams Nos. 129 and 56 respectively.

No. 62

PROPOSAL BY DR. MUSADDIQ FOR A SETTLEMENT OF COMPENSATION DURING A DISCUSSION OF AN ARBITRATION FORMULA

Mr. Middleton to Mr. Eden. (Received July 25)

(No. 519)

(Telegraphic)

Tehran,

July 25, 1952.

My immediately preceding telegram.

It was clear during discussion of arbitration formula that Musaddiq had in mind merely a settlement of compensation figure. He said that Persia must at all cost maintain her "independence" and that he would be content to sell no more than 10 million tons of oil a year which he thought would be enough to balance the budget. He was willing to make a long-term purchasing agreement with Anglo-Iranian Oil Company or with any other British company but would not tolerate any form of control over or [group undecipherable] in production and refining inside Persia. The question of purchase would have to be a straight commercial transaction and price decided between N.I.O.C. and buyer on ordinary commercial lines. The amount of compensation seemed either to be funded and paid by means of an international loan or could be paid in crude oil

and refined products over a term of years at prevailing world prices.

2. We touched in the course of conversation on a number of general questions. He said he wanted to restore good relations and that once oil dispute was settled he would see that discrimination against British subjects [groups omitted] ends. He was anxious to co-operate on a basis of mutual respect but he added that responsibility for the present situation in Persia was in his opinion entirely attributable to the mistaken policy of Her Majesty's Government in the past and that if we were unwilling to settle now we should be responsible for whatever might happen in Persia in future. He was afraid that the economic distress might well lead to communism and unless revenues of the country were restored, which meant in practice that 10 million tons of oil a year must be exported, he did not see how the drift towards a revolution could be stopped.

No. 63

STATEMENT BY DR. MUSADDIQ DURING DISCUSSION WITH HER MAJESTY'S AMBASSADOR OF PERSIA'S GRAVE FINANCIAL POSITION

Mr. Middleton to Mr. Eden. (Received July 28)

(No. 533. Secret)

(Telegraphic)

Tehran,

July 28, 1952.

Your telegram No. 475.

I saw Musaddiq again this morning to let him know that I could not give him an answer by suggested dead-line. He was disappointed and said that the situation was

extremely grave and he did not know what he could say to his Cabinet. In general discussion which followed during which I emphasised need for changed and improved relations between the two countries he offered the startling remark that he felt he had already gone a long way in agreeing

to examine our proposals for arbitration. I protested that this was not at all my understanding of our previous meeting and that the suggestion had been his in the first place. In the heated discussion which followed Musaddiq said that in the circumstances he preferred to regard our earlier conversation as reported in my telegram No. 518 as not having taken place. Indeed he thought we were perhaps wise to avoid any kind of arbitration since any impartial body would be bound to decide that the 1933 agreement was invalid as it had been imposed by force on Persia and such a decision would further damage British reputation in Middle East. I again protested strongly and asked whether he really wanted a settlement. Musaddiq replied that his only object was to pay compensation under Persian nine-point law and have done with the whole question.

2. Musaddiq said that he still had to ask us for financial aid. He did not want anything that was not rightfully Persia's, but he must insist that the Persian sterling balances in London should be made available (a) for

payment of expenses of the diplomatic missions and (b) for purchase of sugar. He would sell sugar for rials and so hope to ease the desperate internal situation. As it was he could not pay the armed forces or Civil Service and he was afraid that if this state of affairs continued revolution was round the corner. It was finally agreed his Minister of Finance should submit a formal request which I undertook to transmit. I gave him no reason to believe that we could meet his request.

3. Musaddiq was particularly bitter against Her Majesty's Government this morning and said that he could do nothing to improve Anglo-Persian relations or to stop anti-British demonstrations and activities until such time as Her Majesty's Government had demonstrated that they were prepared to help Persia and abandon their past policy. In particular the feelings of the Persian people towards Britain would always remain unfriendly so long as we persisted with our claims under the 1933 agreement.

EP 1015/189

No. 64

POLITICAL CRISIS IN PERSIA

Mr. Middleton to Mr. Eden. (Received 30th July)

(No. 244. Confidential)

Tehran,

28th July, 1952.

The events of the last ten days, culminating in the restoration of Dr. Musaddiq as Prime Minister of Persia, mark a definite turning-point in Persian affairs, and it is possible that we have seen the end of constitutional government as this country has known it. I have reported by telegram the principal developments in the situation as they occurred, and I now have the honour to submit the following review of the crisis. I have tried to avoid details and to concentrate on the important phases only.

2. Dr. Musaddiq's second resignation, on 16th July, was precipitated by the Shah's action in refusing to accede to his Prime Minister's request for virtual control of the armed forces. The Shah's personal position as head of the armed forces, which he inherited from his father, is the principal source of his influence in the country's Government, and it is very dear to him. He was probably emboldened to stand firm by the critical manner in which the Majlis received Dr. Musaddiq's programme of

expedients for curing Persia's ills. It is now evident that Dr. Musaddiq intended his resignation to be merely a tactical move in his campaign to wrest from the Shah the further powers without which he could not remain in power.

3. After his Highness Qavam-es-Sultaneh had received his vote of inclination from the Majlis on 17th July, both he and the Shah acted promptly. The Shah issued the same night the Imperial farman confirming Qavam in office, and the latter's first action was to see to the maintenance of public order. The following day he broadcast a manifesto which in firm language promised a sensible settlement of the oil problem and a return to orderly and rational government. He spoke strongly in condemnation of political demagoguery and of the intervention of priests in popular politics. He emphasised that he would take the strongest action against disturbers of the public order.

4. Unfortunately Qavam did not follow up this promising start with the active steps required to consolidate his position. This gave his enemies the chance, which they

were quick to seize, to call out the mob against him. There were three things which Qavam should have seen to at once: first and above all, he should have immediately remedied the isolation in which he stood by associating with himself several personalities who enjoyed the confidence of the Shah and who could be relied on to support a policy designed to keep Dr. Musaddiq out of power. Such men as Hakim-ul-Mulk and Mansur-ul-Mulk would, I think, have agreed to serve as Ministers without portfolio while the lengthy job of Cabinet-making proceeded; besides assisting Qavam in the immediate task of governing they would have distracted from Qavam a share of the National Front's invective which in the event fell on Qavam's head alone. Secondly, he should have despatched at once a reliable general to maintain control of Abadan and the province of Khuzistan, whence the most violent pro-Musaddiq reaction could be expected. Thirdly, he should have replaced the unreliable Chief of Police, General Coupal, with his own nominee. These steps were urged on Qavam by the American Ambassador and myself, and repeated in the messages which we sent to Qavam through his emissaries. It has also been suggested that Qavam should not have accepted office without first obtaining the Shah's agreement to dissolve the Majlis and that it was a mistake to issue his proclamation until he was sure that he could support his words by deeds.

5. As I have said, the opposition to Qavam was quick to launch its campaign. This took the form of the most vigorous denunciations of him by Kashani and other leaders of the National Front. They abused Qavam as a dictator whose programme was to reimpose British rule on Persia, and Kashani exhorted his followers to join in a holy struggle to restore Dr. Musaddiq. They appealed to the army and police not to obey the orders of the agents of a foreign imperialism and not to stand in the way of the progressive elements fighting for the country's independence. The leaders of the Tudeh Party were not slow to grasp the splendid opportunity for trouble-making which offered, and the National Front at first welcomed them as allies. Through their mouthpiece, the Society for the Continuation of the Struggle against Imperialism, they called for a general strike throughout the country and demonstrations in the provinces. The party line was that while Dr. Musaddiq was responsible for the situation because he had not made a clean break with the British and American imperialists,

he had now yielded place to a much more wicked agent of the colonising powers. Accordingly the Tudeh Party invited Dr. Musaddiq, Kashani and the National Front in general to form with them a common front to overthrow Qavam, to pursue the struggle for the country's independence, to restore the freedom of political parties (*scilicet* the Tudeh Party) and to expel the American Military Mission and technicians. The prompt support which the Tudeh gave the National Front in their campaign to overthrow Qavam was later to prove an embarrassment.

6. Qavam did not under-estimate the danger to his Government which this violent and vociferous propaganda represented. He was especially concerned at the powerful influence which Kashani, after a period of eclipse, seemed to have regained, and at the incitements to disaffection which he and other Deputies of the National Front were making, under the protection of their parliamentary immunity. He estimated (rightly I think) that orderly government could only be obtained if the Majlis were dissolved, and on the evening of 19th July he pressed the Shah to do this. The dissolution would, of course, have enabled Qavam to proceed against Kashani and others without incurring the reproach of violating the Deputies' legal immunity; moreover, it was apparent that the National Front group of Deputies could and would paralyse the Parliament merely by staying away from the sessions and so preventing a quorum being obtained.

7. The Shah refused to dissolve the Majlis, or to authorise Qavam to arrest Kashani. He maintained this attitude although Qavam emphasised that he could not continue the government if his opponents enjoyed a free hand, and he explained to the Shah the dangers to the country and to the Throne that would arise if the National Front came back to power on the shoulders of the mob. The Shah was, however, in the grip of fear: fear of taking a decision, and of taking a decision that might expose him to the fury of the populace should Qavam not in the event remain in control. This attitude of the Shah's is one of the central features of the crisis: we had long known that he was indecisive and timid, but we had not thought that his fear would so overcome his reason as to make him blind to the consequences of not supporting Qavam. His close advisers cannot escape blame for encouraging the Shah's doubts and desire to compromise with the Opposition: in particular, I think Ala, the Minister of Court, a bad influence in this respect. It is true that he did

accurately relay to the Shah, in the presence of witnesses, the categorical and forceful advice which, at the height of the crisis, my United States colleague and Sayyid Zia gave. On the other hand, he is understood to have had a three-hour interview with Kashani on the night of 18th July, and this fact—or the report of it, if it is not true—strengthened Kashani's position.

8. Faced with the Shah's refusal to accept his policy, Qavam threatened to resign. In response to urgent messages from his supporters, he agreed to withhold his resignation, and tried to make on his own initiative secret arrangements for Kashani's arrest. At this stage (19th July) the town was still quiet but tense: the army and police were standing firm and under good control, and Kashani's incitements to treason had produced no effect. There were, however, already rumours that the National Front and the Tudeh had formed an alliance for the purpose of overthrowing Qavam.

9. On the morning of Monday, 21st July, Qavam renewed his efforts to persuade the Shah to take the measures required to establish the Government. The Shah could not find time to see him: in fact, he was interviewing members of the National Front. He did nothing until, at 5 p.m., he accepted the resignation of Qavam who could manifestly no longer hold the situation without the Shah's support.

10. In the intervening hours the issue had been settled in the streets. Large crowds, National Front and Tudeh, assembled before the Majlis and were harangued by National Front Deputies. Their slogans were, "death to Qavam," "death to the Anglo-American imperialists," and "down with the Shah." This last cry was an ominous new development, and derived chiefly, I think, from Tudeh inspiration. Apart from being an expression of the Shah's unpopularity in the country, it was clearly meant to affect the morale of the troops and police who were guarding the Parliament buildings, and who had elsewhere in the streets shown a reasonably efficient control of the crowds. When the mob started to move on the Parliament, firing began: the mob was frustrated and dispersed into smaller groups, and other but less serious clashes with the troops occurred. Reliable figures of casualties are not available, but I believe that about 20 civilians were killed, and up to 200 injured: casualties among the security forces were few. There was little looting or damage to property. The mob, while it did not disperse, did not press its attacks to a con-

clusion: it seemed to be well organised and under firm control. In the upshot, however, it did not gain its victory by force on the streets. The troops stood firm, and mob won only through the capitulation of the Shah. As far as I can gather, the armed forces retained their discipline under these very trying circumstances: in spite of the anti-monarchical propaganda and the effect on their morale of the known indecision of the Shah, the senior officers remained loyal to the constitutional Prime Minister and obeyed his orders to defy the mob.

11. This rioting destroyed the last shred of the Shah's courage. Ala saw no solution but to bring back Musaddiq. Both Mr. Henderson and I sought to stiffen him—and through him the Shah—and spoke in the strongest terms permissible; I have described our arguments in my telegram No. 502 of 21st July. When Qavam at last saw the Shah at 5 p.m. it was evident that the Shah had a most unrealistic appreciation of the situation and was totally unwilling to give Qavam the powers he needed: the Shah would seem to have accepted Qavam's definitive resignation with alacrity and relief.

12. The immediate consequence was the swift withdrawal, evidently on the Shah's orders, of all the troops and police from Tehran. Not a single policeman was to be seen, even on traffic duty. The crowd were jubilant at their victory and the town was in a very excited state; but in the complete absence of any opposition there were no further serious clashes. The crowd, which now had unmistakably a large Tudeh element, celebrated by indulging in anti-American-anti-British slogans, and the anti-Shah feeling increased. Reprisals began to be threatened against those responsible for the firing and the death of the "martyrs."

13. The following day the Majlis met in private session and inevitably gave a vote in favour of Musaddiq. There were no other candidates. By a happy coincidence the verdict of The Hague Court was announced on the Monday evening and became generally known on Tuesday morning. It was hailed as a personal victory for Musaddiq and represented as a defeat for the British view of the rights involved in the oil dispute. The Shah issued to Musaddiq his Imperial farman on Tuesday, 22nd July, and is understood to have acceded to all Musaddiq's demands which he had previously refused. Evidence of this is that General Garzan, the former Chief of the General Staff, is now under house-arrest. Musaddiq has been given the Ministry of

War, while the cowardly cipher Yazdanpanah is Chief of General Staff. Tension in Tehran continues and the situation is potentially dangerous in view of the absence of any power willing, or indeed now able, to resist mob violence.

14. This review of events makes no mention of the provinces, from which I have no first-hand information. It appears, however, that there were pro-Musaddiq demonstrations in the principal centres; and a Tudeh contingent from Kermanshah sought to enter the capital. I hope to get more information later from my colleagues with provincial consulates.

15. I will not add to the length of this despatch by attempting an estimate of the present balance of political forces in Persia or of the future course of events. I have already sent you my preliminary views in my telegram No. 531 of 27th July. But I will briefly summarise my views of where the responsibility lies for the recent *débâcle*.

16. The only person who had it in his power to alter the course of events was the Shah; by virtue of his high office and of the constitutional powers still vested in him he must be held primarily to blame. He did not live up to his responsibilities or exercise his powers, as advised by his constitutional first Minister, and it is only poetic justice that his own position should as a result have been seriously weakened. He defended his prerogatives against Musaddiq to the point of the latter's resignation and then he began to get cold feet at once and very nearly discouraged the Opposition from voting for Qavam. When the Opposition proved encouragingly firm and voted for Qavam, he refused him the support he required to stabilise the situation. When, despite his hesitancy, his troops remained loyal and effective in the face of physical attacks and powerful propaganda, he withdrew his backing from them, and exposed their commanders to the risk of savage reprisals. It is a lamentable record. In explanation I can only repeat what I have previously written about the Shah's character; he hates taking decisions, and cannot be relied upon to stick to them when taken; he has no moral courage and easily succumbs to fear; he is preoccupied with his personal position

on the Throne and thinks to retain it by a policy of appeasement; and, I am now convinced, we must see in him a deep-rooted dislike and distrust of the British. He has consistently ignored all sound advice given to him by responsible Persian statesmen, and by the United States Ambassador and myself, and is swayed by the advice of his Minister of Court who, I suspect, echoes His Majesty's doubts and fears. The Shah cannot be in ignorance of the serious consequences for the Throne of these recent developments—in fact, he has been reported to have joked about his prospects of obtaining a villa in France. But these considerations have not overcome the weakness of his character and he is apparently reconciled to the prospect either of being a puppet-king or of abdication.

17. Qavam was faced with an extremely difficult task on assuming power, and it was inevitable that he should fail without the Shah's support. I have, however, indicated in paragraph 4 above several ways in which I think he could have played his cards more wisely. He is now a spent force, in danger of arrest and execution, and cannot by his own efforts ever regain any powerful influence in Persian politics.

18. If we look beyond this crisis and take a wider view, it is clear that the responsibility for Persia's present ills lies principally with Musaddiq and his entourage. His strength lies in his powers of demagoguery, and he has so flattered the mob as the source of his power that he has, I fear, made it impossible for a successor to oust him by normal constitutional methods. His followers, and principally Kashani, have probably gone further than he intended in enlisting the support of the Tudeh for Monday's trial of strength. The chief question now facing us is whether Musaddiq's Government or any other (short of a military dictatorship) can avoid the "kiss of death" which is the well-known consequence of flirting with Communists.

19. I am sending copy of this despatch to Her Majesty's Ambassadors at Washington, Moscow and Bagdad, and the Head of the British Middle East Office at Fayid.

I have, &c.

G. H. MIDDLETON.

No. 65

AIDE-MÉMOIRE COMMUNICATED TO HER MAJESTY'S AMBASSADOR AT WASHINGTON BY MR. ACHESON ON JULY 31

Sir O. Franks to Mr. Eden. (Received August 1)

(No. 1470. Secret) Washington,
(Telegraphic) July 31, 1952.

The American Government considers that the situation in Persia has become most critical and that it is essential that immediate steps be taken in an effort to prevent the loss of Persia to the West. There seems little likelihood that the Shah or Conservative elements will recapture political influence from the Nationalist Government of Musaddiq. Meanwhile, the danger of Communist capture of power is increasing.

Unpalatable though it is, there seems no reasonable alternative to supporting the present Government. Such support must be in a manner which will not relinquish British claims to compensation for the nationalisation of the Anglo-Iranian Oil Company in Persia. Furthermore, it must be done in such a way as to be justifiable to both British and American public opinion: also there must be some prospect that Persia will benefit from the resumption of oil revenues to the end that budgetary financial aid will not be required indefinitely. We think the time element is so short that the first step in providing funds to the Persian Government must be taken before any final and elaborate agreement could be worked out. We therefore propose that the British and American Governments jointly make

an offer along the following lines to Dr. Musaddiq:—

1. The United States will make an immediate grant of \$10 million to the Persian Government.

2. The Anglo-Iranian Oil Company, or some other agency designated by the British Government, will purchase from Persia all the oil products presently held in storage by the National Iranian Oil Company at the commercial Persian Gulf prices less an appropriate discount.

3. On the basis of the proposal discussed between Dr. Musaddiq and the British Chargé d'Affaires in Tehran on 25th July, it would be agreed that an arbitral commission consisting of three persons should be set up immediately to consider the question of compensation. Neither the American grant of \$10 million nor the start of British oil purchases would be held up pending the commencement of the arbitral procedure.

4. Negotiations looking toward a more permanent arrangement for the distribution of Persian oil should be undertaken promptly. If the question should be raised regarding sale of oil in excess of that sold to the A.I.O.C., the Persians should be told that the Governments of the United States and the United Kingdom have agreed that no obstacles would be placed in the way of such sales.

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No. 66

CONVERSATION BETWEEN THE SECRETARY OF STATE AND THE UNITED STATES MINISTER

Situation in Persia

Mr. Eden to Sir O. Franks (Washington)

(No. 939. Secret) Foreign Office,
Sir, 6th August, 1952.

When the United States Minister came to see me this morning we had some discussion about Persia, and I went through with him the reply from the United States Ambassador at Tehran to the State Department.

2. I said that I fully understood the increasing dangers of communism in Persia. Mr. Holmes remarked that he wished there were a Neguib in that country. I said that

there might be. Relations between Persia and Egypt in these days were often an imitative process. In any event I did not consider that we should give up hope that a local Neguib could be found. If this were possible the result could be more satisfactory than trying to prop up Musaddiq. The main trouble with the latter was that, however much aid the United States gave him, we should not really be combating Communism, because the help would not reach

the people of Persia, who were steadily getting poorer. If, on the other hand, we could find a Neguib and Persia could set up an effective administration, we would be doing something to combat communism, for such an administration could use the funds to raise the standard of life of their unhappy people.

3. Mr. Holmes disputed none of this but was clearly perturbed that time was short

and the Tudeh Party might replace Musaddiq before any other scheme could be got under way.

4. I had to admit the force of this and I told him that we were considering the last communication we had received from the State Department and that I would let him have a reply within a few days.

I am, &c.

ANTHONY EDEN.

No. 67

UNITED STATES PROPOSALS FOR A JOINT OFFER TO THE PERSIAN GOVERNMENT

Mr. Eden to Sir O. Franks (Washington)

(No. 3232. Secret) Foreign Office,
(Telegraphic) August 9, 1952.

Please give Mr. Acheson the following message from me:—

"I was glad to receive through Her Majesty's Ambassador your views on the situation in Persia and your proposals for a joint offer to the Persian Government.

2. In considering the situation in Persia and in particular your proposals for a joint offer, my colleagues and I have directed our attention especially to—

- (a) the dangers of allowing chaos to spread in Persia which might result in communism and involve a serious threat to the whole strategic position in the Middle East;
- (b) the extent to which it is possible to regard the present Persian Government as a barrier against communism;
- (c) the effect on our interests in other parts of the world. As you know, we feel that this might prove disastrous to a country like ours which is so dependent on these interests for its existence.

3. I recognise that it is unlikely that Musaddiq could by constitutional means be replaced as Prime Minister in the immediate future, except perhaps by a Tudeh sympathiser, and that it may look as though he were the best defence available at the moment against communism in Persia. I do not, however, consider that his defence is likely to be strong. Her Majesty's Chargé d'Affaires in Tehran has expressed serious doubts, which I think your ambassador shares, about Musaddiq's value as a barrier against communism. Middleton points out

that the Tudeh Party has grown in strength as a result of the policies which Musaddiq has followed since he took office. Now he has been returned to power after public disturbances in which the Tudeh Party co-operated with his followers, and the Tudeh are therefore in a good position to make embarrassing demands upon him which he could probably not refuse. Even his supporter Kashani, according to our information, is worried about his weakness to the Tudeh. Whereas it was at first suggested that it was the Kashani elements which arranged collaboration with the Tudeh, it now appears that this was the work of the Iran Party. As a result of dissensions with the N.F., Musaddiq now finds himself at loggerheads with Kashani and virtually forced into co-operation with the Iran Party. In any case he has never shown any willingness to take action against crypto-Communist organisations nor against Communist newspapers. All this suggests that Musaddiq should be helped only if and for so long as he shows himself ready to check the drift towards chaos and communism.

4. But there is another consideration. When your proposals were framed, we were all feeling the impact of Qavam's failure to exploit his position thanks to the lack of support from the Shah and of all that this must have meant to the army. It seemed incredible that morale should not have fallen to such a point that the army would be eliminated as a significant factor in the political situation. Our latest information, however, suggests that this is not necessarily the case. While criticism of Musaddiq seems to be growing among the National Front leaders, there are signs among the

generals of a feeling that Musaddiq cannot be allowed any longer to ruin Persia and that the army, whose morale is reported to be improving and which remains loyal to the Throne, may have to intervene. If that were to happen, the parliamentary opposition to Musaddiq would certainly rally to the army. So long, therefore, as there is any reasonable hope that Persia can be saved by her own people, I believe we should not be hasty in coming to Musaddiq's aid because we think that we shall never have a better Government to deal with.

5. The note which has just been received from Musaddiq alters the situation again, but before dealing with it I address myself to your proposals for a joint approach to him.

6. When Musaddiq made his offer of arbitration on 25th July he doubtless meant no more than arbitration on the question of compensation only, though he himself proposed that the formula should be as general as possible so that the terms of reference should not exclude the discussion of any useful points. However, he did contemplate that there would be a neutral umpire and that both parties would undertake to abide by the decisions reached. For our part, we could agree to arbitration only if the terms of reference were sufficiently wide to permit introduction during arbitration of the question of the validity of the Persian Nationalisation Law and its compatibility with the A.I.O.C.'s concession. We would not, however, insist on either of these points being specifically mentioned in the terms of reference. Our aim would be to request the arbitrators to decide the extent of the wrong the company had suffered and the means of providing redress, including arrangements for the future conduct of the industry. I am sending details of my ideas on this point to Her Majesty's Ambassador so that your officials may discuss them with his staff.

7. Once satisfactory arrangements for arbitration on these lines have been agreed with the Persian Government, I would be prepared to ask Anglo-Iranian Oil Company to make arrangements with the Persians to get Persian oil moving, though for a number of technical reasons this could not be arranged quickly and two or three months might elapse before movement could start. I could not, however, ask the company to consider moving oil from Persia until there was good reason to hope that some progress could be made towards a settlement, for example, until the conclu-

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sion of a satisfactory agreement for arbitration. In any case I could not ask the company to abandon their right to take legal action against other purchasers of Persian oil before a final settlement of the oil dispute had been reached. To do so would involve abandoning much of the A.I.O.C.'s case, with serious and direct consequences on our interests elsewhere.

8. I was interested to see that your proposed joint offer to the Persian Government includes arbitration on the question of compensation, and that in this respect your proposals coincided with our thoughts. I and my colleagues have carefully examined the offer as a whole, and have reached the conclusion that, if you were able to consider modifications to your proposals, the offer might be framed in such a way that Her Majesty's Government could join in making it. The modifications which we would suggest are:—

- (i) United States financial aid would be conditional upon the agreement of the Persian Government to arbitration on acceptable terms and to the conclusion with the Anglo-Iranian Oil Company of suitable arrangements for the lifting of stocks of oil.
- (ii) Purchases of oil by the A.I.O.C. would not be made until satisfactory terms of reference of the arbitration had been agreed upon.
- (iii) The A.I.O.C. would not be asked, before conclusion of a final settlement, to abandon the right to take legal action against other purchasers of Persian oil. We regard these modifications as essential. For our part, in return for some progress towards arbitration, we could offer to relax progressively some of the restrictions which we have had in self defence to place on exports to Persia and on the use of Persian sterling.

9. I must add that though the A.I.O.C. are aware of our views as given in the preceding paragraph, it would be necessary for the matter to be considered by the Board of the company before any binding agreement, affecting as it would the interests of the company, could be entered into between our two Governments.

10. Since the Cabinet agreed upon the policy which I have outlined, we have received a direct approach from Musaddiq, and have also been in contact at The Hague with the new Persian Foreign Minister. Unsatisfactory as the terms of Musaddiq's

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note are, it does at least offer an opening for the resumption of direct talks with the company, and I am, therefore, now considering whether, while reserving all our rights and continuing to work on proposals for arbitra-

tration, we could not turn this opening to advantage. The reply will need very careful drafting. But I am now engaged on it and I will give you my thoughts as early as I can next week."

EP 15314/244

No. 68

THE PERSIAN NOTE OF AUGUST 7th

Mr. Middleton to Mr. Eden. (Received August 14th)

(No. 253. Unclassified) Tehran,
Sir, August 11, 1952.

With reference to my telegram No. 573 of the 8th August, I have the honour to send you herewith a translation of the Persian Government's Note No. 2621 of the 7th August concerning the oil question.

I have, &c.

G. H. MIDDLETON.

Enclosure in No. 68

(Translation)

The Imperial Ministry of Foreign Affairs present their compliments to Her Majesty's Embassy and have the honour to state as follows:—

1. Whereas the nationalisation of industries and institutions is the established right of each nation and whereas a number of Governments (including that of Britain) supporting the same principle have nationalised some industries and economic institutions in their countries, the Persian Government also, on the basis of the same principle (as a result of the improper and cruel acts of the ex-Anglo-Iranian Oil Company), nationalised the oil industries throughout the country, in accordance with the will and support of the whole Persian nation. The ex-company and the British Government, without taking notice of this established right of the Persian Government, referred their unfounded claim to the International Court of Justice and the Court announced its judgment on the 22nd July, 1952, concerning its incompetence to examine the case and cancelled its injunction passed on 5th July, 1951.

2. In addition to the fact that the ex-company have never carried out their obligations and have compelled the British Government to put forward, contrary to justice, an unfounded claim to the International Court of Justice, they have also

taken measures throughout the world for preventing the sale of Persian oil, the seizure of the ship *Rose Mary* being one of the proofs of this.

The ex-oil company and the British Government have in many ways inflicted losses on the Persian Government and have caused financial and economic difficulties to Persia, some of which are mentioned below:—

- (a) Non-payment of money due from the ex-company to the Persian Government for the recent years which, as agreed upon by the company, amounts to tens of millions of pounds.
- (b) The losses caused by delay in payment of the above sums.
- (c) Non-payment of the sums of money belonging to the Persian Government deposited in English banks.
- (d) The losses caused by delay in payment of the above-mentioned sums.
- (e) Claims of the Persian Government from the ex-company and the losses caused to the Persian Government by the acts of the company and the British Government.
- (f) Losses caused by preventing the sale of Persian oil, by means of threats and intrigues of the ex-oil company, with the help of the British Government. These have created difficulties for the Persian Government in selling their oil.

3. In the above circumstances the Imperial Government at least expects that the sums of money which belong to the Persian Government and are also agreed to by the ex-company and have not been paid yet may be paid at once. It further expects that the other sums of money belonging to the Imperial Government and deposited in the English banks may be put at the disposal of the Imperial Government and especially with a view to maintaining good

relations and to eliminate any misunderstandings between the two nations the ex-oil company may refrain in future from taking unjust measures against the sale of Persian oil. The Persian Government, with the goodwill which it has proved in many cases, now announces that with a view to finding a solution for investigating the just claims of the ex-oil company and the reciprocal claims of the Persian Government within the framework of the law of the 9th Urdibihisht, 1330, it is prepared to enter into negotiations with the representatives of the company. If no agreement is reached by direct negotiations between the ex-company's representatives and the Imperial Government in this matter the company may pursue its claims in the competent Persian court.

The Persian Government hopes that this goodwill on the part of the Persian Government may be welcomed by the British Government as it should be, and that the latter may recommend that the ex-company appoint their representatives for negotiations with the Persian Government in this matter.

It is necessary to mention that if there are delays and procrastination by the English banks and the ex-oil company in payment of the sums belonging to the Persian Government or if the ex-company and the British Government continue their illegal measures against Persia in any form, the British Government and the ex-oil company shall be held entirely responsible for all such actions and the losses caused by them.

EP 1015/214

No. 69

REPORT ON THE POLITICAL SITUATION

Mr. Middleton to Mr. Eden. (Received August 13)

(No. 257. Confidential) Tehran,
Sir, August 11, 1952.

I have the honour to submit a somewhat fuller account of the chief developments, which have been briefly reported by telegram, in the Persian political situation during the past week.

2. Bills for the grant of full powers to Dr. Musaddiq and for the confiscation of Qavam-us-Saltaneh's property having been passed by the Majlis were sent to the Senate, where both provoked some opposition. The Bill for the confiscation of Qavam's property was referred to by the Senate judicial committee and was still under discussion by that body when himself addressed an open letter, defending his conduct, the full text of which I enclose, (1) to the Senate, the Majlis and the Senate judicial committee. It now seems unlikely that a decision will be taken on the confiscation Bill in the near future.

3. In a long debate in the Senate on the 9th August several Senators spoke in criticism of the Bill for the grant of full powers. It was eventually decided that a group of Senators should see Dr. Musaddiq and request him to make certain modifications in the Bill. Dr. Musaddiq has, however, refused to move from his original position and has told the Senators that he will accept approval of his original Bill or nothing. The

Senators delayed debating the Bill in private session again to-day and, as expected, did not have the courage to vote against it. I enclose a full text of the Bill (1).

4. On the 7th August the Majlis passed a Bill for the release of Khalil Tahmasibi, the assassin of General Razmara. This Bill has now been sent to the Senate. At the same Majlis session a letter from Dr. Hasan Imami, the Imam Jume'h of Tehran and Speaker of the Lower House, was read out in which the Imam Jume'h submitted his resignation. An election was held for a new Speaker and Kashani was elected with 47 against 10 for Dr. Mu'azzami.

5. The Bills for confiscation of Qavam's property and the release of Tahmasibi seem to be specially designed to appeal to the mob and the fanatical rabble. They have caused considerable concern among the educated classes and it is likely that the Senate will do its best to delay their passage. The Bill for granting full powers is also generally regarded as unwise and unconstitutional by the educated classes, but the latter are not yet prepared to take any strong action to oppose it; they are to some extent still under the influence of the events of the 21st July, although it is rapidly wearing off.

6. An interesting development has been the increase in internal dissensions within

(1) Not printed.

the National Front. The election of Kashani is a symptom of this, as Musaddiq was believed to favour the election of Shayigan or Mu'azzami. He apparently first heard of Kashani's election from the United States Ambassador and seemed depressed by the news. There have also been indications recently of disagreements between Kashani and Musaddiq over the appointment of Ministers and officials, but it may be that the differences go deeper than this, since it is difficult for one country to have two dictators. The still silent Opposition to the National Front canvassed unobtrusively for Kashani's election, and are now hopeful that it will be possible to widen the differences between various members of the National Front. Makki, Baqa'i, Ha'irizadeh and Salih have all expressed discontent with Musaddiq, and at the moment it is not quite clear what support he has other than that of Shayigan, Hasibi and Zirkazadeh. Kashani is believed to favour either Kazini or General Zahidi as a successor to Musaddiq.

7. The Deputies supporting the continuation of the national movement, that is to say, the National Front and its hangers-on, agreed on the 10th August that the abolition

of martial law was desirable. This is probably not entirely in accordance with Dr. Musaddiq's wishes but he is likely to accept a vote to this effect without protest. Projects for various new taxes, including a 2 per cent. capital levy, are being discussed but cannot be put into effect until the full powers Bill has been promulgated. There is also talk of passing a law to enforce landowners to give 15 per cent. from the sale of their crops to the Government. The Government would then use this money for the welfare of the peasants.

8. One conclusion to be drawn from these developments is that the violent emotions engendered by Musaddiq's return to power are subsiding. Although there is no immediate likelihood of Musaddiq falling, he is beset by many difficulties. Among these are the Tudeh Party, against which he seems incapable of taking any action, differences within his own party and the country's parlous economic state.

9. I am sending a copy of this despatch to Her Majesty's Ambassador at Washington and to the British Middle East Office, Fayid.

I have, &c.

G. H. MIDDLETON.

No. 70

ANGLO-AMERICAN RELATIONS AND PERSIAN OIL

Sir O. Franks to Mr. Eden. (Received August 13)

(No. 1510. Secret)

Washington,
August 12, 1952.

Following for Sir Roger Makins:—

"I have been worried by the Americans' initial reception of the personal message from the Secretary of State to Dean Acheson and the suggested terms of reference for arbitration contained in your telegrams under reference. Yesterday Acheson asked to see me privately and informally. He came up to the embassy and we talked for an hour and a half before dinner. After dinner I had two more hours with Acheson, David Bruce and Freeman Matthews. In our first talk Acheson asked questions and explored the position. Later in the evening I discovered why he was so concerned. A telegram had been prepared in the department and submitted to him which said pretty well in terms that the Americans could not accept the British position and must be free to take their own line in Persia.

2. As a result of my conversations with Acheson I have formed the following impressions. Initial American opinion of the personal message and the suggested terms of reference was that we were not prepared to join them in any approach to Musaddiq except on terms which we knew from the outset were impossible. The two things which, in American opinion, gave this colour were: first, the sentences in the personal message about the company contained in paragraphs 7 and 9 and, secondly, the nature of the suggested terms of reference.

3. I felt it to be of great importance that we should not have a major split with the Americans over Persia unless it was necessary. I therefore argued as strongly as I could, and I hope rightly, that the difference between our views was not so great as they supposed. I said the core of our argument seemed to me to be contained in three connected considerations. These were the views about the internal Persian situation in

paragraphs 3 and 4 of the personal message. These gave reasons for believing that Musaddiq was not all that strong, that his already existing relations with the Communists and Communist sympathisers lessened his power to be a bulwark against communism, and that the general uncertainty of the situation did not exclude the seizure of power by someone else as happened not infrequently in Middle Eastern countries. We therefore did not think it wise to put too much money on Musaddiq with too few strings. This led to the second consideration. Whatever form the three proposals mentioned in the American message eventually took we thought they should be more closely linked together and in particular linked to some specific agreement between the Persians and ourselves on terms of reference for arbitration. Thirdly, we felt that the terms of reference for arbitration must go beyond compensation and deal with arrangements for running the oil industry, which in turn would make possible a proper scheme for effective payment.

4. I tried to impress on the Americans that they themselves were very uncertain about the way things would go in Persia and that this was Loy Henderson's view. It was therefore reasonable to exercise some caution in any approach to Musaddiq and not give things away too soon. It was also reasonable to be concerned that an arbitration should not produce a figure for compensation to which nobody paid any attention so that we were no further on. I made headway at least to the extent that the telegram the Americans had drafted has been torn up. To-day and perhaps tomorrow they are considering what they will say. I hope they will go some way towards our estimate of the Persian situation and agree to a rather closer link between the three proposals. I should expect them to argue that a good set of arbitrators to settle compensation cannot deal at the same time with arrangements for running the oil industry. They will say that the first job is for a skilled judge who would not be fitted for the second job. They may therefore suggest arbitration for compensation with some simple and general terms of reference perhaps with an additional agreement at the time the arbitration is set up that a satisfactory arrangement would have to be made for the payment of the compensation before we could consider our claims had been met. On this last matter, while arguing that they should agree with our view, I tried to make it clear that the difference between us was

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one capable of being discussed and solved by normal discussion.

5. As regards the statements about the company in the personal message, the Americans do not disagree with the view that the statements correspond to the legal situation. They feel, however, very strongly that the 52 per cent. stockholding of the Government in the company makes a great deal of difference and that the political and strategic interest of Her Majesty's Government in Persia makes still more. If I may say so I think they felt that the language employed involved a reversion to the ideas and positions of fifteen months ago.

6. As regards the suggested terms of reference the Americans, apart from the difference of opinion mentioned above [? groups omitted] whether the arbitration could deal with the problems of running the oil industry, felt that no Persian could possibly accept the suggested terms of reference nor if he did, survive. It was not that the considerations mentioned in the sub-headings of (a) were irrelevant in assessing the wrong done or therefore the amount of compensation to be paid. The British argument before the arbitrators would take up all these points. But they did not see how anyone could hope to get the Persians into an arbitration if this involved their prior agreement on terms of reference so drafted. I am bound to say that I agree with the American contention. I should have thought that the terms of reference should be drafted briefly and generally so that we could bring all these matters up: the Persians would no doubt bring up what they thought relevant and helpful to their case under the same brief and general terms of reference.

7. I have set all this out at length because for several weeks now there have been indications that some thinking [? groups omitted] within the American Administration had reached the conclusion that they could not act jointly with us about Persia or other Middle Eastern problems and would have to go [group omitted] it alone. Apparently this body of opinion was fed by the conclusions the Americans tentatively drew from the personal message and the accompanying suggested terms of reference. I should regard a real split between us and the Americans over Persia as very serious. In the first place I think they would take independent action and not just sit back. The action they would be likely to take would greatly increase the difficulties of our

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position. Again, the existence of such a split would certainly react upon our other common problems in the Middle East with unfortunate results. We may have avoided the risk of such a split for the moment but a real risk remains.

8. I trust therefore that when the American reply arrives, and I hope it will be on

moderately reasonable lines, you will bear this piece of interim history in mind when you consider what line you should take. It will be important to convince the Americans that our views on the handling of the oil problem are compatible with our common objective of preventing Communist rule in Persia."

No. 71

MR. ACHESON'S REPLY TO PROPOSALS SUBMITTED BY THE UNITED KINGDOM FOR A SOLUTION OF THE OIL PROBLEM

Sir O. Franks to Mr. Eden. (Received August 13)

(No. 1519. Secret) Washington,
(Telegraphic) August 13, 1952.

Following is text of message to Mr. Eden from Mr. Acheson:—

"I have given the most careful thought to your message on the Persian situation, dated August 9th, and am attaching a memorandum of analysis and comment on particular parts of it. This analysis points out the areas of agreement and the areas of disagreement between your message and our message of July 31st. This leads me to the following conclusions:—

- (1) I do not believe that for the reasons given in the memorandum your proposals could be accepted either by Musaddiq or any Government that we can expect as a successor to him.
- (2) I think that his communication to you, needlessly provocative as it is, is an invitation to negotiations which I am glad you do not propose to reject. I understand from your message that you are now considering your reply, and that you will give me your thoughts as soon as you can.

- (3) I think these negotiations ought to be considered from two points of view:—

- (a) As to what can be done toward getting out of him some improvement of the existing situation, and
- (b) The position in which Her Majesty's Government and the Persian Government would be, in the event that the negotiations failed. From both of these points of view, it seems to me most important that Her Majesty's Government go as far as it possibly can in any proposal which it puts forward.

- (4) If the negotiations fail the situation, already serious, will be even more serious, and we may both have to be in a position on a crash basis to make some sort of temporary assistance available to prevent the loss of Persia.

No. 72

MEETING BETWEEN HER MAJESTY'S AMBASSADOR AND DR. MUSADDIQ

Mr. Middleton to Mr. Eden. (Received August 14)

(No. 587. Secret) Tehran,
(Telegraphic) August 14, 1952.

Musaddiq was tired and looked ill, but this unpredictable old man was more reasonable and friendly than at any previous meeting I have had with him.

2. After I had spoken on the lines of paragraph 3 and paragraph 4 of your tele-

gram No. 537 to which he listened with surprising calmness, Musaddiq said that he must once more emphasise to me the extremely critical situation of the country. Communism and social unrest were increasing daily; if the situation were allowed to drift internal security might break down before long; he had full power to institute

reforms and deal with these urgent problems, but no money. He genuinely intended, as long as his health lasted, to devote himself to the welfare of Persia, and his first task would be to eradicate corruption. With that background he had written the last note to us in the hope of finding a quick way out of the deadlock which had existed ever since the nationalisation of the Anglo-Iranian Oil Company. We might think the note was written in rather [group undecipherable ? strong] language, but we must remember that Persian public opinion expected him to defend national interests strongly. The second paragraph of the note was drafted on the advice of his experts. He had not gone into [? group omitted] but had been assured that certain sums were due to the Persian Government and he had to get money quickly. If his experts had been wrong he hoped that we could, nevertheless, suggest a means whereby some immediate advance could be made to the Persian Government.

3. Turning to the question of compensation and my opening remark, Musaddiq said that if we wished to arbitrate he was prepared for his part to agree that the International Court of Justice should be asked by both parties to settle the question of compensation. If this were agreeable to Her Majesty's Government he would immediately consult the two Chambers, since despite his full powers he was unwilling, in so important a matter, to act without parliamentary support. Until he heard again from us he would keep the matter entirely secret. He wished, however, to emphasise that the court could not be asked to adjudicate on the question of the 1933 Agreement or on the validity of the nationalisation laws which must be regarded as *choses jugées*. To sum up, Musaddiq proposed:—

- (a) That the two Governments should agree that the question of compensation should be submitted to the International Court of Justice (subject to the reservations he had made);
- (b) That Her Majesty's Government should examine, as a matter of urgency, whether some sum could be immediately made available to the Persian Government;
- (c) The Anglo-Iranian Oil Company or its nominee should get in touch with the Persian Oil Sales Commission [group undecipherable ? as regards] future purchases. In this connexion

Musaddiq said that he was quite willing to sell the bulk of the oil products to the Anglo-Iranian Oil Company provided that satisfactory commercial terms could be agreed; eventually it was most likely that compensation would be paid either in free oil or by a reduction in agreed price of oil sold to the Anglo-Iranian Oil Company.

4. This was the most hopeful and productive meeting I have yet had with Musaddiq. We know him to be a most crafty politician, but I hope you may feel that some progress has been made. There is no doubt that the Persian Prime Minister is genuinely worried about the internal situation and I think, for the first time, he may be coming to the realisation that he cannot expect outside assistance without making concessions to our point of view. He said that since the judgment of The Hague Court the Persian public had confidence in the court's absolute integrity, and it was therefore much easier for him to suggest that the question of arbitration be submitted to the court. When I enquired about terms in which the two Governments would submit the case to the arbitration of the court he was inclined to be evasive, but said that he did not regard this question as one of vital importance. I think he would probably accept some such formula as "determination of compensation to be paid to the Anglo-Iranian Oil Company having regard to—

- (a) claims and counter-claims of both parties;
- (b) juridical position existing between the two parties prior to 20th March, 1951."

If it were thought necessary to go further than this he might make difficulties, but for the moment at least Musaddiq is in an amenable mood. For example, he referred [group undecipherable] to our last rather stormy meeting and said that such tiffs were a sign of good friendship.

5. If you are disposed to pursue Musaddiq's suggestions, it occurs to me that it might be possible to make an immediate sum available to the Persian Government by transferring the £50 million which the Anglo-Iranian Oil Company hold in its Special Contingency Fund to the general reserves; the Persian Government could then presumably [? group omitted] paid 20 per cent., i.e., £10 million, under the terms of

article 10 of the 1933 Agreement. Alternatively, I suppose the Americans might be willing to come to the rescue.

6. I should like to emphasise that there was no doubt on this occasion about Musaddiq offering to submit the question of compensation to the International Court of Justice. I made him repeat his suggestion several times and reminded him of our [group undecypherable] misunderstanding.

EP 11345/14

No. 73

REPORT ON THE PROGRESS OF THE UNITED STATES FOUR POINT PROGRAMME IN PERSIA

Mr. Middleton to Mr. Eden

(No. 261 E. Confidential) *Tehran, August 16, 1952.*
Sir,

I have the honour to report to you on the progress of the United States Point Four Programme in Persia. In October, 1950, the first Point Four Agreement in the world was signed with the Persian Government for the year 1950-51. The budget for this period was \$1.5 million which was spent primarily on an anti-malaria campaign, locust control, and the beginnings of a Rural Improvement Programme. The budget for the 1951-52 Agreement, signed in January, 1952, was \$23,450,000, a slightly larger sum than that allocated to Israel or to the Arab States put together, leaving aside the allocation for Arab refugees.

2. I enclose a list of the projects in the 1951-52 Programme⁽¹⁾ with the sums allocated to them. In addition, the administrative costs of the Programme amount to \$1.5 million and 33.5 million rials. Although the allocations in the enclosed list are expressed in dollars a considerable amount of the expenditure is, of course, in rials. Some of the necessary rials were obtained by Point Four's purchasing about 34,000 tons of sugar for \$5 million and selling it to the Persian Government at a price which produced a rate of exchange of about 65 rials=\$1, that is double the official rate of exchange but lower than the export rate prevailing since the transaction was concluded. \$1 million are also being sold to Persian students in the United States for tuition and essential living expenses at the official rate of 32.50 rials=\$1. The Persian contribution to the Programme has been

There was no equivocation on his part this time. This by no means excludes the possibility of his again changing his mind, but the very fact that he has once more reverted to the idea of arbitration on compensation shows, I consider, that he can eventually be brought to accept it, subject to the restrictions mentioned in paragraph 3, if that is your wish.

estimated by the Point Four authorities as being 500 million rials. It is not known how this figure, which represents about 5 per cent. of the Persian Government's total annual budgetary expenditure, was arrived at. It may possibly have been inflated by Point Four for propaganda purposes.

3. In view of the late start this year, activity so far has been concentrated primarily on creating the organisation required for the ambitious programme envisaged, recruiting staff (on the 30th July there were 138 Americans and 417 Persians directly employed by Point Four), and making plans and studying projects to which the available money could be allocated before the 30th June, the end of the 1951-52 American fiscal year. At that date many of the items in the enclosed list had hardly been started, many others were still in the planning stage, and Agreements concerning the remainder had only just been signed. Major exceptions to this were the anti-malaria work, locust control, the livestock improvement schemes and some other activities under the Rural Improvement Programme.

4. The Rural Improvement Programme, with its three parts, Agriculture and Irrigation, Health and Education, accounts for about one-half of the money allocated. There is to be a Point Four team in each of the ten Ustans (provinces) capable of covering all three parts of the programme with the help of visiting specialists from the headquarters in Tehran. All but two of these regional teams have begun work but so far none is up to complement. The educational part of the programme aims at

giving basic literacy to the peasants by the elementary training of new rural teachers (about 1,000 in the coming year), the building of village schools and the provision of simple text books and teaching materials. The rural health programme is concentrating on nursing and midwifery training, village sanitation and public health medicine. It will help in the construction of sanitary facilities and some clinics in various villages. The agricultural programme is mainly concerned with the improvement of plant and animal strains, the provision of machinery, and training in and demonstration of new techniques and materials. Most of the money allocated to the irrigation side of the agricultural programme is to be spent on materials and machinery for three relatively large-scale irrigation schemes.

5. In this connexion it is significant that, in addition to the building of schools and clinics, some \$9 million of the total budget are allocated to capital works or equipment under various heads such as irrigation, urban and rural domestic water supplies, transport and communications, mineral exploitation, housing, and industry. Major items are \$1.7 million for a water-treatment plant for the Tehran water supply, \$1.3 million ostensibly for demonstrating how to construct and maintain roads (but in fact for actual construction and maintenance work), and about \$4 million for six industrial projects, including assistance towards the completion of a Government textile mill, the construction of a new cement factory with the capacity of 200 tons per day, the extension by 300 tons per day of an existing cement factory, and the construction of a new sugar-beet factory. The water-treatment plant and the major industrial projects have been taken over from earlier plans made by the Persian authorities concerned which were likely to be postponed or abandoned owing to the shortage of foreign exchange. In all these cases machinery has already arrived or been ordered, or tenders adjudicated, in accordance with the previous plans. The present intention is that the sums paid out for such schemes will be considered as advances to be repaid with interest and mostly in rials to a Joint Fund for Economic Development. The advance for the sugar-beet factory is meant to be repaid in dollars, on the grounds that it will save the Persians dollars on the purchase of foreign sugar. This is to be a revolving fund, and as repayments are made further loans will be

made to other projects, the rials probably being converted into dollars by Point Four for any necessary purchases abroad. A member of the Point Four staff has compared this fund with the counterpart funds in the European Economic Co-operation Programme.

6. Point Four's present programme in Persia, therefore, is as much one of direct economic assistance as one of technical assistance. The considerable expenditure on capital schemes may be due to a change of emphasis in the original aims of Point Four with the latter's incorporation in the Mutual Security Programme. I suspect, however, that the Point Four authorities here may have more pressing reasons for taking this course, firstly constant Persian criticism since the war of the United States failure to live up to its alleged promises of economic assistance, but more especially Point Four's possible fear that without assistance of this kind and the support it should engender in various influential quarters, the Point Four authorities might be expelled by the Persian Government under pressure from one or other of the groups, many of them supporting the Government, which are strongly critical of Point Four and other things American.

7. The Persian Government have good reason to be grateful to Point Four, which has not only provided the foreign exchange for one-fifth of their annual sugar requirements but has also given them the means to expand certain useful development schemes, to keep others going and to undertake other important works which would otherwise not have materialised in present circumstances. Although they have not shown any gratitude, I think that they are sufficiently aware of the value of Point Four's present contribution to the economy to avoid any hasty termination of its activities. The promise for the American fiscal year 1952-53 is good. I understand that Point Four in Persia will be allocated only slightly less than for the year 1951-52.

8. I am sending copies of this despatch to Her Majesty's Ambassador at Washington, the Head of the British Middle East Office at Fayid and the Development Division at Beirut, the Lords Commissioners of Her Majesty's Treasury, the Assistant Secretary of the Commercial Relations and Exports Department of the Board of Trade, and Export Credits Guarantee Department.

I have, &c.

G. H. MIDDLETON.

⁽¹⁾ Not printed.

REQUEST TO PRESIDENT TRUMAN BY THE PRIME MINISTER THAT AMERICAN AID SHOULD NOT BE GIVEN TO DR. MUSADDIQ

Mr. Churchill to Sir O. Franks (Washington)

(No. 3362. Secret) *Foreign Office,*
(Telegraphic) *August 16, 1952.*

Please deliver following personal and secret message from Prime Minister to President Truman:—

"In Anthony's absence I am taking charge of the Foreign Office correspondence.

I am concerned about the Alton Jones' visit to Musaddiq after his personal interview with you. If it came about that American oil interests were working to take our place in the Persian oilfields after we have been treated so ill there, this might well raise serious controversy in this country. We are doing our utmost to bear

the heavy load, and do not possess the bipartisan support of the Opposition, which we gave the late Government in foreign and defence affairs. We are also helping all we can in Korea. No country is running voluntarily the risks which we are, should atomic warfare be started by Soviet Russia.

I hope you will do your best to prevent American help for Musaddiq, either governmental or commercial, from becoming a powerful argument in the mouths of those who care little for the great forward steps towards Anglo-American unity in the common cause which you and I have worked for so long.

With kind regards and many thoughts. Winston."

PRESIDENT TRUMAN'S REPLY TO THE PRIME MINISTER CONCERNING THE VISIT OF ALTON JONES TO PERSIA

Sir O. Franks to Mr. Churchill. (Received August 19)

(No. 1551. Secret) *Washington,*
(Telegraphic) *August 19, 1952.*

Following is secret and personal message for Prime Minister from President Truman:—

"I have your message of 16th August and understand your concern over the Jones visit to Persia. However, Jones impressed me favourably and was emphatic about his desire to be helpful in facilitating a British-Persian oil settlement. He seems to be sincere in his belief that resumption of large-scale oil operations in Persia is impossible without the co-operation of the A.I.O.C. and said he would emphasise this to Musaddiq. As we told Sir Oliver Franks, Jones plans to talk to the A.I.O.C. people after seeing Musaddiq. As we see it, there are two problems:—

- (1) An agreement must be reached with the Persians on the amount of compensation due the A.I.O.C., and
- (2) means must be found to enable Persia to pay this sum out of oil revenues.

I think there is a good chance Jones can be helpful on the second problem. First of all,

he will again explain to Musaddiq the facts of life in the oil industry and the need of dealing with the A.I.O.C. Secondly, if the latest Persian proposals lead to an agreement with the company for the sale and distribution of Persian oil, Jones may be able to help the Persian Government resume production and refining processes so that there will be oil for the A.I.O.C. to buy and market.

If Jones can work out something it might be useful, since, with the political temper in Persia as it is, I think there is no possibility that British management as such would be allowed to return and take charge of the oilfields or refinery. By the same token, no other foreign interests could take the place in Persia which the A.I.O.C. formerly held, and I am certain the American oil companies understand this.

I need not tell you that we have not the slightest wish to profit by your present difficulties. We will do everything possible to avoid even the appearance of this.

On the wider issues, I am hopeful that you will be able to take up Musaddiq's most recent proposals in a broad and conciliatory spirit. Our reports make me think there is

no chance that this or any other Persian Government can come forward with anything better, and the danger which would be involved in missing this opportunity seems to me too great to be risked. It looks to me as if time is running out for us.

In particular, I hope you will be willing to accept the Persian nationalisation law. I see no possibility of any agreement if you include in the court's terms of reference any question of the validity of that law, which seems to have become as sacred in Persian eyes as the Koran. This need not of course prevent you, during the arbitral proceedings, from maintaining the validity of the 1933 Concession and claiming damages for its unilateral abrogation. Dean Acheson sent a message to Eden along this

line on 12th August. If Persia goes down the Communist drain, it will be little satisfaction to any of us that legal positions were defended to the last. The strategic consequences of the loss of Persia to the West and the possibility therein of gradually losing the great bulk of the Middle East with its oil resources to the Soviets are too obvious to mention. Such a disaster to the free world would undoubtedly also place a strain on general Anglo-American relationships not pleasant to contemplate.

It is my earnest hope that we can avoid these misfortunes and move forward together in the common cause. I think you know how much Anglo-American unity means to me.

With warm regards. Harry."

SUGGESTION FOR A PERSONAL ANGLO-AMERICAN TELEGRAM TO DR. MUSADDIQ

Mr. Churchill to Sir O. Franks (Washington)

(No. 3403. Secret) *Foreign Office,*
(Telegraphic) *August 20, 1952.*

Please pass the following personal and secret message from the Prime Minister to President Truman:—

"1. Thank you so much for your deeply considered reply. Why do not we send a joint telegram personal and secret to Musaddiq? It is true we could not sign it with our Christian names because he has not got one. Nevertheless if we could agree to say 'If you Musaddiq will do (a), (b) and (c), we two will do (x), (y) and (z),' and if this

could be put down shortly it might be a help to our common interests. If you think well of this idea, shall I try my hand at a draft or will you?

2. We are dealing with a man at the very edge of bankruptcy, revolution and death but still I think a man. Our combined approach might convince him. The alternative is the United States taking on the burden of being indefinitely blackmailed by Persia to the detriment of her greatest friend. It will be worse for you even than for us if what is called Persia thinks that she can play one off against the other."

VIEW BY THE PRIME MINISTER OF A POSSIBLE ANGLO-AMERICAN POLICY FOR PERSIA

Mr. Churchill to Sir O. Franks (Washington)

(No. 3419. Secret) *Foreign Office,*
(Telegraphic) *August 20, 1952.*

Please deliver following personal and secret message from Prime Minister to President Truman.

"I thought it might save time if I sent this draft to you which expresses our view of the policy we might perhaps put forward together.

Following are my ideas of a possible joint message:—

If the Persian Government will agree to—

- (i) the submission to the International Court of the question of the compensation to be paid in respect of the nationalisation of the enterprise of the Anglo-Iranian Oil Company in Persia and the termination of the 1933 Concession Agreement having regard to all the claims and counter-claims of both parties;

- (ii) appoint suitable representatives to negotiate with the A.I.O.C. arrangements for the flow of oil from Persia to world markets;

then

- (a) the United Kingdom Government will agree on behalf of the A.I.O.C. to the submission to arbitration set out in (i);
- (b) the United Kingdom Government will relax certain of its restrictions on exports to Persia and on Persia's use of sterling;
- (c) the United States Government will make their immediate grant of \$10 million to the Persian Government;
- (d) the United Kingdom Government will arrange for the A.I.O.C. to take their part in the negotiations set out in (ii).

When agreement on the submission under (i) and (a) has been completed, (ii) (b), (c) and (d) will become operative.

Thus far the message.

The form of words in (i) is not meant to be a precise formula for the reference to the Court. I do not think there will be any difficulty in our accepting the nationalisation law as a fact. The terms of reference must not, however, prevent us from maintaining, as you put it, the validity of the 1933 Concession and claiming damages for its unilateral abrogation.

I should hope that further aid from the United States would be conditional on the progress of (ii) and (d).

When delivering the message the United Kingdom and United States representatives should point out that the negotiations under (ii) and (b) stand no chance of success unless the anti-British and anti-United States campaign in Persia has been stopped.

WINSTON."

No. 78

PRESIDENT TRUMAN'S OPINION CONCERNING A JOINT MESSAGE TO PERSIA

Sir O. Franks to Mr. Churchill. (Received August 22)

(No. 1588. Confidential) *Washington, August 21, 1952.*
(Telegraphic)

Following is secret and personal message for Prime Minister from President Truman:—

"I want you to know that I am personally grateful for the fine message you sent me last evening. I consider its contents a great step forward in the solution of a problem which seems fraught with grave danger to the interests of our two countries. I shall be happy to give your latest proposal my support, and to assist in every way we

can to convince the Persian Government that it is in their interest to accept this offer.

Our physical separation complicates the problem of a joint message. Furthermore, I am concerned lest the enemies of the West in their propaganda, seize on such an approach as evidence that our two nations are 'ganging up' on Persia. The most logical procedure seems to me to have each of us send a message to Musaddiq, but so drafted as to clearly indicate consultation and agreement between us. I would much prefer this procedure and hope you can agree . . ."

EP 1461/1

No. 79

DISTRIBUTION OF CROWN LANDS TO THE PEASANTS

Mr. Middleton to Mr. Eden. (Received August 29)

(No. 262) *Tehran, August 22, 1952.*
Sir,

In his despatch No. 50 of the 12th February, 1951, Sir Francis Shepherd referred to the proposed distribution by the

Shah of the Pahlevi Trust Lands. I now have the honour to report that a further stage in the distribution of these lands in the Veramin district near Tehran has now been completed; the occasion was marked

by a formal handing over of title deeds to a group of peasants by the Shah himself at the Saadabad Palace on the 12th August. This ceremony was followed a day later by the presentation of title deeds to the remaining peasants who have received crown land in the Veramin district. In all, 8,241 hectares in eleven villages have been distributed to 836 peasant families, each family receiving between 6 and 8 hectares. The remaining land has been awarded to sanatoria and other welfare institutions. This occasion may mark the completion of the distribution of Pahlevi Trust Lands in the Veramin district, and it has been announced in the press that distribution of trust lands will now commence in other districts, in particular in Mazandaran. Mr. Asadullah Alam, who has been working on the commission for the distribution of these lands, stated in his speech on the second day of the presentation that twice the area of land already distributed to the peasants will be partitioned during the remainder of the present (Persian) year.

2. As it is clear that peasants receiving these lands will suffer, at least initially, from a total lack of working capital, a Reconstruction Bank with a capital of 55 million rials to be set up. It is planned that the bank will start operations on the 22nd

September and loan offices will be opened in the villages affected by the distribution with powers to advance 2,000 rials to each peasant and to advance further credit for the formation of co-operative societies. The commission is also studying the effect of Moslem inheritance laws on the possible sub-division of the parcels of land distributed. This is wise, as it is possible that in the course of time excessive sub-division may entirely destroy the good effect of the present distribution, which is to create a class of small-holders. This is, however, a problem common to all Moslem countries and unless determined and radical action is taken, it is unlikely that it will be solved.

3. The Shah's reception of the peasants received some attention in the press and one of the National Front papers commented that the occasion disproved the allegations of "foreign hirelings" (presumably the Tudeh Party) that there was a gap between the Shah and his people.

4. I am sending a copy of this despatch to the Head of the British Middle East Office at Fayid and to the Development Division of the British Middle East Office at Beirut.

I have, &c.

G. H. MIDDLETON.

EP 1534/259

No. 80

FURTHER THOUGHTS BY THE PRIME MINISTER ON AN ANGLO-AMERICAN APPROACH TO PERSIA

Mr. Churchill to Sir O. Franks (Washington)

(No. 3503) *Foreign Office, August 23, 1952.*
(Telegraphic)

Please pass following, personal, from Prime Minister to President:—

"All that I have ventured to suggest to you about Musaddiq was on the basis of a joint approach. I thought that it might do good if we had a gallop together such as I often had with F.D.R. There is little doubt that a brief, cogent, joint telegram would be far more effective than a continuance of the futile parleying which has got us no further in all these months.

2. Our 'physical separation' did not prevent such methods in the war. However, there was often a fear of our being accused of 'ganging up' and this hampered

necessary action, for instance about the Warsaw massacre in August 1944. I do not myself see why two good men asking only what is right and just should not gang up against a third who is doing wrong. In fact I thought and think that is the way things ought to be done.

3. I see that your Government on 31st July actually proposed a joint approach with us to Musaddiq. This was a fine idea which might prevent him or anything else that turns up in Persia from thinking they can play one of us off against the other.

4. From the United States' point of view I should have thought it would be a most unprofitable course to pay Persia indefinite sums of money in order that she should not become Communist. It does not follow

that even far larger sums than the \$10 million you have mentioned would avert these dangers. Also the fact that blackmail pays and that those who behave the worst make the largest profits will not have a good effect over all the vast area of your own oil interests in the Persian Gulf and Persia. I therefore hoped that a strong note could be sounded now by both of us together. It was on this basis that I proposed and could

defend further concessions on our part. It is not that I fear criticism here, though that would be troublesome, but it is because I believe that your name and mine at the foot of a joint telegram would be an effective assertion of right over wrong. Please see what you can do.

5. All my personal regards and many thanks for your consideration and courtesy.

WINSTON."

No. 81

AGREEMENT BY PRESIDENT TRUMAN TO THE DESPATCH OF A COMMON MESSAGE TO DR. MUSADDIQ

Sir O. Franks to Mr. Churchill. (Received August 24)

(No. 1611) Washington,
(Telegraphic) August 24, 1952.

Following is text of personal and secret message from President Truman to Prime Minister:—

"Like you I want very much to see our two Governments reach full agreement on the Persian problem and to see us put, at the earliest practicable date, an offer before

Musaddiq in an effort to settle the present dispute.

In view of your strong feelings on the matter, and the fact that we are in agreement that this approach limits neither you nor me nor our Governments to particular courses of action in the future, I agree to join with you in a common message to the Prime Minister of Persia"

No. 82

THREAT BY DR. MUSADDIQ TO BREAK OFF DIPLOMATIC RELATIONS

Mr. Middleton to Mr. Churchill. (Received August 25)

(No. 616. Secret) Tehran,
(Telegraphic) August 25, 1952.

My United States colleague saw Musaddiq this morning at the urgent request of latter.

2. Musaddiq said that delay of Her Majesty's Government in replying to his note of 7th August was causing an intolerable situation. The financial position was getting daily worse and internal security of the country was at stake. He had to put an end to this state of affairs and unless he received a reply by 27th August

he had it in mind to address a note to this embassy breaking off diplomatic relations. Henderson said in effect that such a step would be pure folly and urged Dr. Musaddiq to reconsider the matter. The Persian Prime Minister finally agreed that he would do nothing before 30th August, and that he would in any case consult Henderson before making next move. Nevertheless he intended drafting note and holding it in readiness. United States Embassy and State Department will no doubt make Henderson report available.

No. 83

AGREEMENT BY MR. CHURCHILL TO SIGN THE TRUMAN-CHURCHILL COVER MESSAGE

Mr. Churchill to Sir O. Franks (Washington)

(No. 3519. Secret) Foreign Office,
(Telegraphic) August 25, 1952.

Following from Prime Minister to President Truman:—

"I am delighted we are in such close agreement. I will gladly sign the Truman-Churchill cover message.

* * * * *

3. There are two points which do not alter the text of the message but which should be agreed between the United States and

British Governments and kept for record, namely:

(a) It is vital to us that, as mentioned in your No. 1, of the annexe, the International Court of Justice should be the tribunal on compensation.

(b) It would be against the interests both of the United States and Great Britain if the Persians got better terms for their oil than other oil-producing countries who have kept their agreements.

WINSTON."

No. 84

AGREEMENT BY MR. TRUMAN TO THE CONTENTS OF A JOINT MESSAGE TO DR. MUSADDIQ

Sir O. Franks to Mr. Churchill. (Received August 26)

(No. 1621. Secret) Washington,
(Telegraphic) August 25, 1952.

Following is text of personal message from President Truman to Prime Minister:—

"I am gratified that we are agreed on the contents of a joint message to Dr. Musaddiq.

* * * * *

I agree to the point you make in paragraph 3 (a).

With respect to paragraph 3 (b), I of course agree that it is in the interests of both of us that the basis negotiated for the future flow of Persian oil not be such as to dislocate arrangements elsewhere in the

Middle East. There are of course so many complex considerations of volume, quality, location, relation to compensation, and the like, that the variable factors make it difficult to judge the comparability of any two arrangements. Naturally, we should want to look at concrete proposals before we could judge their effect and reasonableness.

I want to thank you for your understanding in handling this difficult problem.

I have high hopes that a solution can be reached.

With best regards,

HARRY."

No. 85

AGREED TEXT OF JOINT MESSAGE FROM MR. CHURCHILL AND MR. TRUMAN TO DR. MUSADDIQ

Mr. Churchill to Mr. Middleton (Tehran)

(No. 592. Secret) Foreign Office,
(Telegraphic) August 26, 1952.

Following is agreed text of joint message:—

"We have reviewed the messages from our two Embassies in Persia regarding recent talks with you, as well as your

communication of 8th August, 1952, to Her Majesty's Government. It seems clear to us that to bring about a satisfactory solution to the oil problem will require prompt action by all three of our Governments. We are attaching proposals for action which our two Governments are prepared to take

and which we sincerely hope will meet with your approval and result in a satisfactory solution. We are motivated by sincere and traditional feeling of friendship for the Persian nation and people and it is our earnest desire to make possible an early and equitable solution of the present dispute.

HARRY S. TRUMAN.
WINSTON S. CHURCHILL."

2. Following is text of Annexe:—

"(1) There shall be submitted to the International Court of Justice the question of compensation to be paid in respect of the nationalisation of the enterprise of the Anglo-Iranian Oil Company in Persia, having regard to the legal position of the parties existing immediately prior to nationalisation and to all claims and counter-claims of both parties.

(2) Suitable representatives shall be appointed to represent the Persian Govern-

ment and the Anglo-Iranian Oil Company in negotiations for making arrangements for the flow of oil from Persia to world markets.

(3) If the Persian Government agrees to the proposals in the foregoing two paragraphs, it is understood that:—

- (a) Representatives of the A.I.O.C. will seek arrangements for the movement of oil already stored in Persia, and as agreements are reached upon price, and as physical conditions of loading permit, appropriate payment will be made for such quantities of oil as can be moved;
- (b) Her Majesty's Government will relax restrictions on exports to Persia and on Persia's use of sterling; and
- (c) The United States Government will make an immediate grant of \$10 million to the Persian Government to assist in their budgetary problem."

No. 86

REPORT ON THE RECEPTION BY DR. MUSADDIQ OF THE NEWS OF THE PROPOSAL TO SEND A JOINT MESSAGE FROM MR. CHURCHILL AND MR. TRUMAN

Mr. Middleton to Mr. Churchill. (Received August 27)

(No. 626) *Tehran,*
(Telegraphic) *August 27, 1952.*

Following telegram drafted jointly by Henderson and Middleton:—

1. Prime Minister received us this morning at 10 o'clock. Our conversation lasted until 1.30. We found him in better health than he has been in for some time. In fact, he seemed to withstand strain of the conversation somewhat better than we.

2. We deeply regret to report that his reception of joint message was not only negative but to an extent hostile. He made it clear during the course of our conversation that if he should receive this message he would be compelled to make it public at once and its publication would greatly prejudice relations between Persia and United States and United Kingdom. We therefore suggested that we would postpone handing over message to him pending a report to our Governments of his views and receipt of fresh instructions. Musaddiq stated that a number of persons were already aware of the fact that we were

calling for the probable purpose of delivering messages from our respective Governments. He said that therefore he would be compelled to make public statement that he had disapproved of contents of these messages and that we had thereupon withdrawn them. We told Musaddiq that in that case we would prefer to leave the message with him. After considerable discussion it was finally agreed that we would postpone delivering message: that he would inform his advisers, who already knew we were coming, and the press that we had "discussed matters of common interest to the three Governments"; and that we, in response to press queries, would make similar replies. Middleton, however, said that he would add to this statement one to the effect that during course of conversation he had "touched upon" Persian note of 7th August.

3. In opening our substantive conversation Henderson told the Prime Minister that Middleton and he had come in response to instructions which we had received from our respective Governments to deliver a

joint message from the President of the United States and the Prime Minister of the United Kingdom. Henderson said that he would make no comment regarding substance of this message until after the Prime Minister had had an opportunity to read it. He hoped that in reading the message, the Prime Minister would realise it had been prepared after much thought and discussion on the part of the highest officials of the British and United States Governments, and had been despatched in a spirit of sincere friendliness to Persia. It was his belief that the manner in which the Prime Minister received the message might have profound effect upon world peace and the future of Persia. He urged that the Prime Minister would examine it in the spirit in which it was written. Middleton associated himself with statements made by Mr. Henderson and begged that the Prime Minister give the message his most earnest and sympathetic consideration.

4. The Prime Minister read the message several times; then laid it on the bed. He said that he would submit it immediately to his Cabinet, to the Majlis and to the Senate and that he would then give us a reply. Mr. Henderson asked if he had any questions; perhaps we might be able to give him the background which would be helpful in discussing proposals with his Cabinet and legislature. Musaddiq asked why the United States was offering Persia 10 million dollars. Were there any strings attached to this offer? Was the offer unconditional? Mr. Henderson replied that judging from the text of the proposal there was a condition, namely, acceptance of the first two paragraphs. Musaddiq asked if, in Mr. Henderson's opinion, the United States would be disappointed if the proposals were rejected. Mr. Henderson said that the proposal had been made after much study and consultation. The United States Government thought the proposal harmful [sic]; it offered a solution of the oil problem; its acceptance would also assist Persia in the present financial crisis. The United States would therefore be deeply disappointed in case it should be rejected. The Prime Minister made a sarcastic remark to the general effect that it was too bad that United States had joined in this proposal, that it could have saved itself [group undecipherable] offer of 10 million dollars and considerable disappointment.

5. The Prime Minister referred to first paragraph of the proposal. He entered into a long diatribe, the general tenor of

which was that this paragraph represented a nefarious snare for the purpose of reimposing upon Persia the 1933 Agreement and bringing into question the Nationalisation Law. Middleton said that this was by no means the right interpretation. The first paragraph proposals spoke of "compensation in respect of nationalisation"; this was in effect recognition of the fact of International Monetary Fund. The phraseology regarding the legal position of the parties prior to nationalisation was intended to allow both sides to put forward freely all claims and counter-claims which they might regard as justifiable. The court would be in a much better position to reject frivolous claims if it could give consideration to the legal factor. The proposal specifically referred to the legal position prior to nationalisation; this in itself implied that nationalisation was an accomplished fact. Middleton thought this was a fair formula and emphasised that he was personally convinced that no snare was intended and that language used was to be interpreted in a perfectly straight-forward manner.

6. The Prime Minister said he could not agree with Middleton's interpretation. If he accepted this paragraph of the proposal he would be accepting the validity of the 1933 Agreement and would be contributing to creation of doubt regarding the legality of the Nationalisation Law. He would not be caught in a trap of this kind. Mr. Henderson asked who the Prime Minister thought was trying to lay a trap for him. Was it the President of the United States or was it the Prime Minister of the United Kingdom? Musaddiq replied that it was the Anglo-Iranian Oil Company. Henderson said that he was sufficiently, under the circumstances, acquainted with the background of the proposals to be able to state categorically that company had nothing to do with the drafting of the paragraph. The Prime Minister replied sarcastically that he was glad to receive this information but that in any event he could never agree to a paragraph of this kind. The portion of the paragraph beginning with "having regard" must be deleted. He asked the Prime Minister if the paragraph would be agreeable to him if the last portion to which he had taken exception should be dropped. After studying first part of the paragraph he said that he could not agree to any proposal which would give the company the right to make any kind of claim which it might desire. We asked him what he

thought would be an acceptable wording of this paragraph. He did some scribbling on a slip of paper. The translation of what he wrote is as follows: "The compensation caused [group undecipherable] of the company on account of oil installations as result of nationalisation of the oil industry shall be determined and paid. The claims of the Persian Government on account of customs duties and amounts that the former company must pay according to its balance sheet also be determined and paid." What he wrote did not make complete sense. In an effort to find out what he meant, we asked whether we were to understand that his formula was to be considered, as he suggested, terms of reference for arbitration by the International Court. He said that we must first agree to the principles contained in his formula; only after such agreement would he be ready to discuss the matter of arbitration.

7. We discussed Musaddiq's formula at some length. It gradually emerged that he would never agree that any claims of the company would go to arbitration unless he had had an opportunity to review them in advance and had found them suitable for arbitration. His position was that no claims of the company would be suitable for arbitration except those arising from damage due to loss by the company of its physical installations in Persia. On the other hand, he insisted that Persia should be able to counter-claim for [? group omitted] incurred from importation by the company over a period of years of goods upon which it had not paid customs duty and also from failure of the company to pay what its balance sheet showed to be due to Persia.

8. Middleton asked the Prime Minister what sum he believed to be due to Persia. The Prime Minister replied that he wished to claim only what stood in the balance sheet. Middleton enquired whether he meant £50 million placed to special reserve in respect of the Gass-Golshayan supplemental agreements which had never been ratified by the Majlis. Musaddiq answered evasively that he asked only for what was legally due to Persia. In the course of further discussion the Prime Minister made the surprising statement that although never ratified by the Majlis the Gass-Golshayan agreement had superseded the *de facto* 1933 Agreement and that there could therefore be no question of the legitimacy of Persian claim for £50 million. Middleton said that his Government fully recognised

the need of Persian Government for financial assistance and that it might well be possible to make advances under paragraph 3 (a) of the proposal to meet this need. The Prime Minister again said emphatically that Persia wished to receive only its just dues. In reply to question by Middleton, he said that if the company or the British Government wished to make free gift of £50 million he would accept it as payment for what the company had wrongfully taken from Persia in the past. At this point the Prime Minister made long and emotional harangue on the desperate internal situation of his country. There was no money in the Treasury, security forces could not be paid, and there was no assurance that the next time civil disorder occurred security forces could be depended upon. He regretted that American and British Governments were unwilling to recognise the gravity of the situation. The British Government appeared to believe that the danger of communism was not imminent. If United Kingdom did not pay Persia what was due they would be responsible in the eyes of God and of the world for any disaster which might befall his country. If the British Government would repond with a generous gesture they would earn the gratitude of the Persian people. He did not want 10 million dollar gifts or any other aid from the United States.

9. Henderson asked if the Prime Minister seriously wished him to report to his Government that he did not desire any economic or other aid from the United States. Prime Minister replied in the affirmative. He said Persia was not going around with a beggar bowl in hand. Henderson said that the United States did not consider that extension of aid to Persia was a matter of charity. Prime Minister retorted that the United States offer of insignificant sum of \$10 million in present situation smacked of charity. Henderson endeavoured to explain why the United States was offering no larger sum. He said it was extremely difficult, with Congress out of session, for United States on short notice to find any larger amount among appropriations not already committed. Musaddiq said that \$10 million would not take care of Persia's deficit for more than two months. We both pointed out that our two Governments had hoped that within two months revenues from oil would again be flowing into Persian treasury. Henderson said he was personally convinced that if contemplated payment proceeded satisfactorily United States might be able, within

month period, to find way of giving additional assistance to Persia in case the latter should again face financial crisis. Musaddiq repeated that Persia wanted no gift or financial assistance to which it was not entitled. He insisted that what he wanted was £50 million which stood in balance sheet of the A.I.O.C. He did not care whether this amount came to Persia in the form of gift or as payment of debt due.

10. Middleton reverted to the argument that the formula given in first paragraph of proposal was only designed to allow both sides freely to present their claims and counter-claims and that no trap or deceit was intended. In subsequent discussion the Prime Minister again referred to proposal as "nefarious document" and said that we should see that when document was published Persia publicly would rise as one to reject it. We then enquired whether it was his intention to publish immediately: this was a private [?group omitted] from two heads of Governments and was meant to provide the basis for discussion in friendly spirit. Musaddiq said that he could not regard such message as private matter and that it was his duty to the nation to make it public at once. He would not argue any further: we would judge for ourselves from public reaction the total inacceptability of the proposal.

11. A long discussion followed regarding publication, the outcome of which was that we agreed to postpone delivery of message until we had received further instructions. We felt compelled to agree to this since Musaddiq was adamant on the subject of publication and at the same time made it very clear public reaction to message would have most harmful effect on relations between Persia and United States and United Kingdom. We were convinced that he was not bluffing and intended to publish it in such a manner as to give it a sinister aspect. It was clear to us that in such circumstances publication might mean a final break and we therefore took decision already mentioned. Musaddiq finally agreed that he would regard note as not having been received and would mention it to no one not even his closest advisers. For our part we said we should regard delivery of message as having been postponed pending report of this conversation to respective Governments and receipt of fresh instructions.

12. We told Musaddiq that we thought something constructive should come from

our conversation and therefore we would like to have his suggestions as to what might be done next. He replied that what he wanted was an answer to his note to United Kingdom of 7th August. He could not wait any longer for this answer. He therefore proposed to-morrow or 30th August to send a new note to the British Government. The implication was that he intended in the next day or two to sever relations with the United Kingdom. He maintained that the financial situation was so critical that he had no other choice than to take this action. He did not attempt to justify the logic of this step. Henderson told the Prime Minister that the message which we had been discussing had been intended as the reply to note of 7th August; that he should give the United Kingdom at least time to consider what kind of reply to make now that delivery of the contemplated message had been postponed; that in this grave situation one should not act precipitately. Middleton also urged the Prime Minister to regard the proposed message as having been intended as conciliatory and drafted in recognition of gravity of the situation of Persia. Prime Minister thereupon interjected that his note of 7th August was also intended to be conciliatory. He had written it primarily in order to get money. He still needed money and would give the United Kingdom one week in which to reply to the note of 7th August and to let him have £50 million. He added that if he did not get the money he would write another note and that next October he would go to the United Nations to tell the whole story.

13. Just prior to our departure Musaddiq became more cordial. He made some remark of a personal friendly nature. He said that he was sure that we were giving our Government the correct picture of the situation in Persia but that unfortunately our Government did not seem to believe what we told them. We replied that we thought our Government had confidence in us; otherwise they would not keep us in Persia; but that our Government had factors to consider other than the particular situation in Persia; they could not ignore world problems and their own public opinion, &c. As we departed Musaddiq said he was looking forward to something from us before next Wednesday.

14. Comments later.

REPORT ON THE DELIVERY OF THE JOINT MESSAGE FROM MR. CHURCHILL AND MR. TRUMAN

Mr. Middleton to Mr. Churchill. (Received August 30)

(No. 643. Confidential) *Tehran, August 30, 1952.*
(Telegraphic)

Joint telegram drafted by Henderson and Middleton.

We called on Musaddiq this afternoon at 3.30 in order to deliver to him joint message from the President of the United States and the Prime Minister of the United Kingdom. Henderson opened substantive part of the conversation by referring to our conversation of 27th August during which, after discussing the proposed joint message we [? group omitted] to postpone delivery until further instructions had been received from United Kingdom and United States Governments. These had now been received and in pursuance of them we were delivering joint message. In doing so we wished again to emphasise that the message was sent in spirit of friendliness and in sincere hope that it would lay the basis for solution of the oil problem.

2. Middleton said that he wished to associate himself with remarks made by the American Ambassador. The message was conceived in amity and sympathy. He hoped that Musaddiq would give it same careful study as its authors gave to its preparation. Her Majesty's Government earnestly asked that talks arising from the message should take place in an atmosphere free from recrimination and in spirit of impartiality. Finally Middleton said Her Majesty's Government who were devoting so much to the defence of the free world, hoped that the Persian Government would see fit to [group undecipherable: ? take action] against Communist subversive elements who only sought to harm relations between the two countries.

3. Mr. Henderson said that since the Prime Minister had made it clear that it would be necessary for the message to be published immediately after delivery, the United States Government would issue the text of the message to press to-day. Spokesman for the United States Government would simultaneously make statement to the press indicating friendly spirit in which it had been sent. Middleton said that Her Majesty's Government would also publish to-day.

4. Musaddiq remarked that if the message was the same as that discussed on 27th August he must in all frankness say [group undecipherable] an evil. Turning to Mr. Henderson he said that the Persians were not donkeys, and could no longer be deceived by professions of friendliness.

5. Addressing himself [? group omitted] both of us, Musaddiq said that he would be answering the note shortly. But he could not disguise that public reaction would be unfavourable and that his Government would never enter into the kind of agreement suggested. He could only suppose that we wished to get rid of him and bring in another Government. We both demurred. We again urged him to recognise the genuine helpful spirit in which the message had been prepared [? group omitted] did not respond. He was clearly disappointed, resentful and worried.

6. Middleton, in the course of his remarks, made it clear that Her Majesty's Government considered that the message constituted a reply to the Persian Government's note of the [group undecipherable: ? 7th August].

EP 15317/20

No. 88

CONVERSATION BETWEEN THE SECRETARY OF STATE AND THE FRENCH AMBASSADOR

Anglo-Persian Oil Dispute

Mr. Eden to Sir O. Harvey (Paris)

(No. 880. Confidential) *Foreign Office, 2nd September, 1952.*
Sir,

The French Ambassador came to see me this morning on his return from leave. He

began with a reference to the Anglo-American offer to Mussadiq. He seemed to think it was useful that this Anglo-American proposal should have been put

forward. From the point of view of his own Government, the Ambassador said it would be helpful if we could give them as much information as we could on Persian developments. The French had supported us loyally from the outset of the dispute, and had refused to have any kind of dealings with the new Nationalised Persian Company, although I understand that a French technician was in fact a leading figure in it. At the same time, there were not lacking critics

who said that in the end we would give way. Therefore the more we kept the French Government in the picture as to our plans, the more we should encourage them to remain steadfast.

2. I am sending copies of this despatch to Her Majesty's Representatives at Washington and Tehran, and to the B.M.E.O. (Fayid).

I am, &c.

ANTHONY EDEN.

EP 1281/1

No. 89

DECREE CONCERNING RURAL DEVELOPMENT AND THE PEASANTS' SHARE OF CROPS

Mr. Middleton to Mr. Eden. (Received September 10)

(No. 275. Confidential) *Tehran, September 4, 1952.*
Sir,

With reference to paragraph 3 (c) of my despatch No. 265 of the 25th August, I have the honour to send you herewith a translation of the decree concerning rural development and the increase in the peasant's share of crops promulgated on the 13th August. On the 18th August the Persian Prime Minister ordered the Minister of the Interior to instruct officials throughout the country on pain of dismissal to enforce the provisions of the decree within fifteen days. At the same time the Government Propaganda Department was ordered to make regular broadcasts over Radio Tehran to explain the decree to the peasants. The decree is in the form of a parliamentary Bill, which has, I understand, been in cold storage in the Ministry of Agriculture for a number of years.

2. It provides for a hierarchy of councils at the levels of the village, township, district and province. The village councils are to be elected from amongst the peasants, and the higher councils will be formed of representatives of the lower councils, together with appropriate officials. The councils are to be responsible for the collection of funds and for the supervision of the development activities authorised by them. Revenue for the funds will come from the landowners and the inhabitants of villages, the former contributing 10 per cent. of their share of crops and 20 per cent. of their cash income from other agricultural sources, and the latter contributing 3 per cent. of their income. The landowners' contribution is in addition to the 10 per cent. of their share of crops to be paid direct to the peasants farming their land. The development activi-

ties, each of a scale appropriate to the level of the council concerned, are to cover the fields of sanitation, health, housing, public works, agriculture, education, communications and social assistance. It is also intended to provide a further source of financing, namely, the Agricultural Bank, which is authorised to grant loans to the councils for a period of ten years at an interest rate not exceeding 6 per cent.

3. Even if the scheme had the support of the landowners, this grandiose conception of village democracy, calling for a degree of energy, initiative and experience unknown amongst the Persian peasantry, could hardly be fully realised. The great majority of the landowners cannot be expected to give it their voluntary support, and it is not likely that the present régime could compel them to co-operate. The decree, therefore, seems to offer little chance in present circumstances of any marked general improvement in rural conditions.

4. In a more stable situation it would have been a definite move in the right direction, and even now it is likely to have some effect if only in relation to the attitude of the peasants towards their condition of life. The broadcast propaganda should reach many ears, and some provincial officials at least will no doubt attempt to execute the decree as best they can. At the same time, as I pointed out in my despatch under reference, the Tudeh Party will undoubtedly exploit the possibility offered of creating or intensifying differences between peasants and landowners whenever suitable opportunities occur. They may also, if it suits their general plan, make an effort to infiltrate the councils. The decree, however ineffectively it is implemented, seems bound

to weaken, even if only slightly, the local power of the landlords whose dominant position has already been considerably undermined at the centre by the events of six weeks ago.

5. I am sending copies of this despatch to Her Majesty's Ambassador at Washing-

ton, the Head of the British Middle East Office at Fayid, and the Development Division at Beirut.

I have, &c.

G. H. MIDDLETON.

EP 15314/315

No. 90

DR. MUSADDIQ'S UNFAVOURABLE REACTION TO THE ANGLO-AMERICAN PROPOSALS

Mr. Middleton to Mr. Eden. (Received September 8)

(No. 672. Secret)
(Telegraphic)

Tehran,
September 7, 1952.

Joint message to Musaddiq.

I saw Musaddiq for about one hour this evening. He was in an almost jovial mood and quite calm.

2. Musaddiq spoke to me on very much the same lines as he had spoken to my United States colleague. Specifically he said that he could only agree to arbitration by the International Court of Justice provided that the claims of both parties were clearly enumerated and that no reference was made to the 1933 Agreement. He indeed agreed emphatically that Persia would not admit claims by the Anglo-Iranian Oil Company for anything except the value of their physical property in Persia together with the value of the oil in stock at Abadan at the time of nationalisation. His other point was that Persia must have immediate financial aid and he hoped that £50 million could be made immediately available even if it were in the form of a grant or gift or, if we preferred, as an advance against future purchases of oil.

3. I said I could see no prospect of agreement on these terms, and again urged him to reconsider the joint proposals. I also said that, in my opinion, his press statement (my telegram No. 671) had been far from helpful. Musaddiq replied that he did not wish to argue with me. He could only tell me what he believed to be the conditions essential for a settlement from the Persian point of view and asked me to transmit his remarks to you as a matter of urgency. Musaddiq said that if there was any chance of our agreeing with his suggestion he would postpone the meeting of the Majlis due to be held on Friday. If there was no possibility of acceptance by Her Majesty's Government he would leave the question for decision by the Majlis and Senate. I repeated that I thought it was useless to pursue the matter on the lines that he suggested but, at his insistence, I undertook to report his remarks.

4. Musaddiq asked me to see him again on 9th September. I should be grateful for instructions before then. Comments follow.

EP 1016/7

No. 91

TUDEH PARTY POLICY AND ACTIVITY

Mr. Middleton to Mr. Eden. (Received 10th September)

(No. 277 (S). Confidential) Tehran,
8th September, 1952.

With reference to my despatches 252 (S) and 263 (S) of 11th and 25th August, I have the honour to submit the following report on Tudeh Party policy and activity since 21st July.

2. In general there have been no startling developments or changes in policy, which

has shown a consistent pursuit of previous aims. Press propaganda has been violent in its opposition to the Shah, the Army, Dr. Musaddiq, the Americans and any settlement of the oil dispute. The joint Anglo-American message to Dr. Musaddiq has caused a flood of invective, while the Persian Prime Minister himself is criticised for his decision to consult the two Houses

about such obviously unacceptable proposals. Attacks on the Shah have been extremely outspoken and have led to the temporary and quite ineffectual suppression of the main overt crypto-Tudeh newspapers on several occasions, although the competition started by *Shahbaz* for a new national anthem, which would reflect the spirit of the martyrs of 21st July, was allowed to pass. Articles usually couple two or more of the main objects of attacks. Musaddiq is discredited as a hireling of the American warmongering imperialists. The positive aspect of the Party line has been to reiterate the appeal for a united anti-imperialist front. This is an attempt to broaden the Party's basis of support and discredit its opponents by exploiting all possible grievances and playing on anti-imperialist sentiment.

3. Activities in support of building-up and leading a united front have tended to be conducted mainly from below, and this has been reflected in instructions to Party members to try to wean rank and file supporters away from the Toilers' Party. There have, however, been reports of a renewal of sympathy with the Tudeh cause in a wing of the Iran Party. The Toilers' Party is reported to be seriously penetrated and there has been dissension in its upper ranks which the Tudeh may have hopes of exploiting. The most vocal and uncompromising opponent of the Tudeh Party has been Dr. Baqa'i, leader of the Toilers' Party, who enjoys court and American support, but even with this he cannot be regarded as a serious barrier to Tudeh progress. In this connexion I enclose a copy in translation⁽¹⁾ of a recent exchange between Baqa'i's newspaper *Shahid* and *Shahbaz*, the organ of the National Society for the Struggle against Imperialism. The answers to *Shahid's* questions strike me as being cleverly worded and provide a good example of the appeal which the orthodox Communist line makes to the idea of the invincible strength of the masses. A rebuff for the United Front policy was seen on 29th August, the fortieth day after the fall of Qavam's Government when Tudeh supporters and the Toilers' Party held separate demonstrations to commemorate what had been a day of joint achievement.

4. The short period during which martial law was lifted in Tehran was used by the Tudeh Party in an attempt to increase militancy. The Party seems to have encountered more opposition from the

Sumka (Fascists) and the Pan-Iranists than it expected and there are signs that it found its essay in greater militancy disappointing. These were, however, mere skirmishes and the Party did not exert its full strength.

5. Covert Party activity continues to be aimed at—

- (a) strengthening the Party's influence among all classes of the population,
- (b) undermining the security forces, and
- (c) securing key positions in the administration.

6. These aims are analysed in greater detail below.

(a) *Strengthening of the Party's influence*

(i) *Labour.*—This has been dealt with in detail in the enclosure to my despatch No. 263 (S). Briefly, there has been an increase in strikes provoked by the Tudeh Party in Tehran but, after a temporary patching-up of grievances by the granting of some concessions and promises of further investigation of outstanding complaints, the militant Tudeh circus (estimated to be at least 3,000) has switched to the provinces and is now beginning to reap the reward of patient organisational work over the last two years. There is a hard Tudeh core in most factories which is better able to exploit economic grievances than can the representatives of other labour organisations which are still badly hampered by sectional conflicts and lack of funds. The Persian official estimate is that about ninety per cent. of organised labour in Tehran, excluding the railways, will follow the Tudeh lead on economic grievances in individual factories. The Tudeh have, however, been unable to organise large-scale labour disorders on political issues. By their superior organisation and more widespread publicity the Tudeh are able to claim and exploit for propaganda purposes full credit for any concessions made to the workers.

(ii) *Peasants.*—Here again the Party is beginning to receive dividends from the energetic work it has put into its Peasant Campaign during the past eighteen months, when it has had the field to itself and has seized the opportunity to build up a monopoly of peasant sympathy over quite a wide area. The new agricultural development bill has given the Tudeh an excuse to invite the peasants to demand much more than the twenty per cent. extra share of the landlord's income, as laid down in the bill, and serious disorders have taken place in

⁽¹⁾ Not printed.

various parts of the country during which harvested crops have sometimes been burned. A further symptom of these disorders was the brutal murder of a landowner in a village near Karaj. The peasants attacked him with axes although he was escorted by three gendarmes who were too afraid to take any action to protect him. Two similar murders are reported to have taken place at Kermanshah and Hamadan.

(iii) *Youth*.—There has been widespread activity in connexion with the international campaign sponsored by the World Federation of Democratic Youth (the W.F.D.Y.) and the World Federation of Trade Unions (The W.F.T.U.) for the Defence of the Rights of Youth. The opportunity has been taken to harness local grievances to the general peace and anti-imperialist campaigns.

(b) *Undermining Security Forces*

The Tudeh is making considerable progress in subverting junior officers and at the military school Tudeh propagandists have been particularly active among the students. There is every indication that the tempo of this will increase. The present head of G.2, Colonel Pakravan, is not allowed by the Chief of Staff, General Baharmast, to take any effective action against the Tudeh. Colonel Pakravan expects to be made to leave his post in the near future. If he goes it is likely that such other officers in G.2 as are worth their salt will also be forced out. An example of army lack of security was the publication in *Shahbaz* of a "Secret" Staff paper concerning anti-Tudeh measures.

(c) *Securing Key Positions in the Administration*

Early reports of the Tudeh successes following Musaddiq's return to power were exaggerated but there have been no reports so far of positive action having been taken to deprive the Tudeh of positions already achieved in the Civil Service. It has been reported that, in spite of a pro-Tudeh Minister of Justice the commission appointed to reorganise this Ministry has been trying to reduce Tudeh influence, which is strongly entrenched. It remains to be seen whether any results will be achieved. The Ministry of Roads and Communications has, however, taken action to break up Tudeh groups by transferring known Tudeh agitators among the railway workers.

7. The main conclusion to be drawn is that for the Tudeh Party this has been a period of steady progress and consolidation of previous gains. Since the brief flirtation which attended Qavam's fall most of the National Front leaders, the left wing of the Iran Party being an exception, have tried to dissociate themselves from the Tudeh. However, Musaddiq's inability to govern and the steady demoralisation of the security forces have been of great assistance to the Tudeh, whose guiding policy seems to be that Musaddiq should remain in power until he has created the necessary chaotic conditions for them to take over.

8. I am sending a copy of this despatch to Her Majesty's Ambassadors at Washington and Moscow and to the Head of the British Middle East Office at Fayid.

I have, &c.

G. H. MIDDLETON.

EP 15314/330

No. 92

DR. MUSADDIQ'S ANXIETY FOR A SOLUTION OF THE OIL PROBLEM

Mr. Middleton to Mr. Eden. (Received September 11)

(No. 692. Secret) *Tehran,*
(Telegraphic) *September 11, 1952.*

Joint message to Musaddiq.
Musaddiq sent for me this morning.

2. Musaddiq said that he hoped to postpone any meeting of Majlis until he had something constructive to report to that body. He was genuinely anxious to come to a solution of the oil question. He had given further thought to arbitration formula and wondered whether it would be acceptable to us if some such phrase were used as "compensation on basis of 1933 agree-

ment and supplemental agreement in so far as they affected situation prior to nationalisation." I said I could see no purpose in bringing in the supplemental agreement unless it was to give some colour to the Persian claim for £50 million; it was certainly of no advantage to us since it had never been ratified or applied. Musaddiq then proposed to substitute "the balance-sheet of the company" for "the supplemental agreement." I again said I could see no advantage in this. After some further discussion Musaddiq said that for the sake of a settlement he would accept the

1933 Agreement only provided it was made clear that it referred to period prior to nationalisation only and became null and void from the date of nationalisation. It was finally left that we should both try to find a form of words without any kind of commitment on either side. I said that joint proposals still seemed to me best formula.

3. Musaddiq then reverted to the question of financial aid. He said that without the money he could do nothing, but that if he had a substantial sum at his disposal he had every hope that agreement in principle on compensation could be reached. He again stated that he did not mind in what

form the money was made available provided that action could be taken quickly.

4. As regards parliamentary position Musaddiq told me that he proposed to postpone any meeting of the Majlis for a least a week in the hope that some progress could be [? group omitted].

5. You will have seen from my press summary that there is a general expectation that some kind of arrangement is now in sight.

6. I have shown this telegram to my United States colleague. Please see my immediately following telegram.

EP 15314/330

No. 93

**REJECTION BY HER MAJESTY'S GOVERNMENT OF CONDITIONS
PUT FORWARD BY DR. MUSADDIQ**

Mr. Eden to Mr. Middleton (Tehran)

(No. 673) *Foreign Office,*
(Telegraphic) *September 13, 1952.*

Her Majesty's Government are unable to accept the conditions put forward by Dr. Musaddiq in his conversation with you of the 7th September (your telegram No. 672), or to modify the joint proposals in the Truman-Churchill message.

2. Musaddiq's motives in suggesting the amendments mentioned in your telegram No. 692 (of the 11th September) is not entirely clear. His earlier conversations with you and his conversation with the Indian Ambassador (your telegram No. 691) suggest that he intends to exclude from arbitration our claims for loss of future benefits under the concession. It is just possible, however, that he suggested these amendments merely to ensure that the 1933 agreement was terminated from date of nationalisation. I should therefore like you to take an opportunity of explaining to him the meaning of paragraph 1 of the joint offer; namely, that in our view the legal position of the A.I.O.C. prior to nationalisation was governed by the 1933 concession; that by our acceptance of the fact of nationalisation we would agree that the Persian Nationalisation law terminated that concession and we would not seek to revive

it; but that we must insist that the Arbitration Tribunal should judge the company's claim not merely as regards such compensation as may be due in respect of the physical property and oil stocks (which seem to be all that Musaddiq is offering) but for the termination of the concession and all that that entails. The Persian Government on their side will be free to put forward their counter-claims.

3. With regard to his renewed request reported in your telegram No. 692 for substantial financial aid, you should make it clear that the joint offer contains the most generous terms on financial as on other points which can be offered to him. It offers both a lump sum and a prospect of revenues from oil sales.

4. Finally, when speaking to Dr. Musaddiq on these lines, you should leave him in no doubt that if he persists in his rejection of the joint offer, responsibility for the consequence will rest on him alone.

5. We are instructing Her Majesty's Chargé d'Affaires in Washington to seek the agreement of the State Department for this course. Please therefore keep in touch with the United States Ambassador and speak to Dr. Musaddiq on the lines above indicated.

FUTURE OF THE PERSIAN OIL INDUSTRY

Mr. Middleton to Mr. Eden. (Received 25th September)

(No. 289. Confidential) *Tehran,*
Sir, *22nd September, 1952.*

With reference to my despatch No. 285 of 15th September I have the honour to inform you that Mr. Alton Jones gave a press conference on 18th September. He said his plans had changed and he was not going to Kuwait or London but would be returning direct to the United States. He and his advisers left Tehran by air on 20th September.

2. On 26th July, Dr. Musaddiq had written asking him to inspect the oil industry and to make suggestions for bringing it back into operation. The invitation had been made with the idea that the Cities' Service Corporation might help in restarting the industry. Mr. Jones had already given a preliminary report to Dr. Musaddiq, and the final report would be drawn up after his return to the United States. He confirmed that, although some deterioration was to be expected after a year's idleness, the installations were in good order. He had made no contract to buy crude oil, although this was not out of the question, or to operate the industry. He had, however, considered what technical assistance would be needed to bring the industry back to full production and had also considered whether Cities Service would be able to provide such assistance. A return to full production would take some six to nine months and some \$10 million would be needed to start things off.

3. His future plans as regards the purchase of oil or the provision of technical assistance might be affected by, but would not necessarily depend on, a solution of the oil dispute. Private companies could conclude agreements with the Persians without a settlement of the dispute, which he would, however, be happy to see solved. All that was required for a solution was common-sense. No request had been made to him to supply tankers and, in any case, his tanker fleet was small in relation to Persia's needs. But if he were to send tankers there would be no "Rose Mary incident." He would not "lose much sleep" if he were sued by the Anglo-Iranian Oil Company (A.I.O.C.).

4. Since the press conference one or two journalists have managed to obtain a private interview with Mr. Jones. One of

them has given me in confidence the following information on this interview. Mr. Jones said that Mr. Rieber, who acted as oil consultant for the International Bank during the latter's negotiations with the Persian Government at the beginning of this year, had suggested to him in January that he might go to Persia to help to bring about an understanding. Mr. Jones had not followed this up, and he claimed that he had heard nothing more until he received Dr. Musaddiq's letter. Mr. Parkhideh might have had something to do with the invitation as he had been most appreciative of the help he had been given by Cities Service in the autumn of 1951 in obtaining lubricants.

5. Mr. Jones said that an agreement with the A.I.O.C. would be the most practical course. In his press conference he had avoided comment on the Truman-Churchill proposals and Dr. Musaddiq's reply, but at this private interview said that he was convinced that Dr. Musaddiq would never accept the principle of compensation to the A.I.O.C. for the loss of future profits or the breaking of the contract. This point was fundamental, but he did not think that the £49 million was a major issue. If necessary, Dr. Musaddiq seemed willing to compensate the A.I.O.C. for the actual rather than the "written-down" value of the installations.

6. If no agreement were reached with the A.I.O.C., money and technicians for restarting the industry could be found elsewhere although the recruitment of sufficient technicians would take some time. There was a very good operating margin as Persian oil only cost 14 cents a barrel to produce, and the posted price was \$1.75 per barrel. He was asked about legal action by the A.I.O.C. against persons making transactions with the Persians. He and his advisers seemed to regard this as a huge joke. They did not explain themselves but Mr. Jones did say that the A.I.O.C. was itself purchasing with impunity 1 million tons of oil per year from the Roumanian industry which had been expropriated from the Standard Oil Company of New Jersey and the Shell Company.

7. He said that the Persians were now beginning to understand that the world was not in any desperate need of their oil, but

consumption in the Eastern hemisphere was rising annually by some 700,000 barrels per day and Persian oil would not, therefore, flood the market. He drew a parallel with oil nationalisation in Mexico which he considered to be perfectly justified. He showed strong sympathy for the Persian case without any apparent anti-British feeling. He said that he had cancelled his visit to London as he was afraid that it would have undermined the Persians' confidence in him.

8. The tentative conclusions I draw from Mr. Jones's statements are that he would probably like to see a settlement reached with the A.I.O.C. but, if there is no progress towards such a settlement in the near future, it is quite possible that he might be tempted to buy crude oil and/or provide technical assistance for the industry. He is clearly not worried about the effects of legal action by the A.I.O.C.

EP 1015/250

No. 95

ANGLO-PERSIAN RELATIONS

Mr. Middleton to Mr. Eden. (Received 25th September)

(No. 293. Confidential) *Tehran,*
Sir, *23rd September, 1952.*

I have reported fully in my recent telegrams on what appears to be the rapidly worsening state of Anglo-Persian relations, a deterioration which began with the nationalisation of the Persian oil industry and the advent of Dr. Musaddiq to power eighteen months ago and has continued steadily since then despite occasional gleams of hope which have in each case proved illusory. The situation to-day is that Dr. Musaddiq is expected to deliver within the next two days his reply to the joint Churchill-Truman message of 30th August. He has already publicly announced his rejection of the joint proposals and outlined counter-proposals which are unlikely to prove in any way acceptable. At the same time he has publicly threatened that unless the Persian demands are met fully, promptly and without question, he intends to break off diplomatic relations with the United Kingdom.

2. I do not intend here to analyse Dr. Musaddiq's contention that the 1933 Agreement between the Persian Government and the Anglo-Iranian Oil Company (A.I.O.C.) is invalid, or his latest claim that Persia should enjoy as of right the benefits which might have accrued to her under the

9. The American Ambassador has told me that Mr. Jones has behaved sensibly and discreetly whilst in Tehran although he has perhaps stayed here too long. Mr. Henderson insisted that Mr. Jones had given the Persians no reason to believe that Cities' Service are prepared to buy large quantities of oil or to save Dr. Musaddiq's Government from the consequences of their anti-British policy. However, I detected a slight nervousness behind Mr. Henderson's assurances. On the whole I think we should be prepared for Mr. Jones's taking the initiative if there is no sign of a settlement within the next month or two.

10. I am sending copies of this despatch to Her Majesty's Ambassador at Washington, and the head of the British Middle East Office at Fayid.

I have, &c.

G. H. MIDDLETON.

Supplemental Agreement negotiated in 1949 and subsequently rejected by the Majlis. These are signs of how far he has been driven by his own brand of jingoistic nationalism and by the pressure of the more extremist members of his immediate entourage to make ever more extravagant claims. A year ago the joint Anglo-American proposals would have been greeted as a great victory for Persia and, I believe, accepted without much demur. To-day Persian public opinion, such as it is, is unanimous in rejecting the offer. The popular belief has been carefully fostered that the A.I.O.C. is responsible for all the existing ill of Persia and indeed for the miseries which the country has suffered during the past fifty years. In consequence it is widely believed not only that no compensation is due to the A.I.O.C. for the loss of its properties and concession, but that reparations are due to the Persian nation for past wrongs inflicted. This attitude of mind undoubtedly lies at the root of Dr. Musaddiq's most recent demand that he be paid £50 million by the A.I.O.C. in respect of unpaid royalties. His need for ready cash is great, but his need for quick political credit is even greater.

3. The importance of the Communist rôle in recent events is difficult to judge.

On the whole I am inclined to think that the Communists have been opportunist rather than far-sighted, that they have played a largely passive rôle, content to let matters take their course with only general encouragement from the side-lines, and that with the exception of the part they played in the street fighting on 21st July last they have not been a major factor in the development of the Musaddiq brand of nationalism. Nor have they needed to intervene. Dr. Musaddiq by his own action has largely implemented the known programme of the Communist Tudeh Party; the Shah has been reduced to a cypher, the army fatally weakened, the British "imperialists" dispossessed, the central authority of the Government weakened and the economic and financial structure of the nation reduced almost to chaos. Without having had to commit their forces in strength, the Communists are in the fortunate position of seeing Persia reduced to the point where the advent of a Communist régime seems almost to be part of the logic of history.

4. At the same time Dr. Musaddiq has not hesitated to use the threat of the Communist danger in an attempt to persuade both the Americans and ourselves that no sacrifice is too great to preserve Persia from communism. To a certain extent the threat has been successful. But if Dr. Musaddiq's partial bluff does not work and his hand is called, he may well find that it is too late to change his game and that the country has been sold to communism. I believe that he personally may be aware of this danger. I cannot say the same of Kashani, the fanatical, ambitious, venal and xenophobic mullah. The latter recently stated to the correspondent of the *Daily Express* that communism did not exist in Persia and that even the Tudeh Party were Persian patriots rather than Communists. Kashani is widely suspected of taking money from the Russians, and other members of the National Front, while possibly not in the direct pay of the Russians, are known to have found profitable employment with, for example, the Soviet Insurance Company, the Caspian Fisheries Monopoly and others. I am inclined to think that the classical pattern of a Nationalist movement being taken over by the Communists for their own purposes is now becoming more evident here and that we may before long expect some undisguised form of overt co-operation.

5. The American attitude has in the past been and to some extent still remains ambivalent. On the one hand they have loyally stressed the Anglo-American alliance

in defence of the free world against communism. But at the same time they have seldom hesitated to criticise the British attitude in the particular case of Persia and during the ambassadorship of Dr. Grady American criticism was at times openly hostile. In recent months it has been possible to elaborate and maintain community of action, though the Persians remain sceptical and do not believe that the Anglo-American common front is capable of sustaining much strain. This opinion is much fortified by the continuance of Point 4 aid and the highly developed propaganda which accompanies it. The Point 4 organisation is loath to hide its light under a bushel and their high powered publicity, while sometimes self-defeating, does maintain the myth that the Americans will in the last resort always come to the rescue of Persia. The United States official attitude during the coming critical week or two will therefore be of vital importance. If Dr. Musaddiq's reply is as uncompromising as is expected and the United States Government does not make it immediately clear in no uncertain terms that it regards his counter-proposals as unacceptable, the Persian Government and people will be encouraged to maintain their intransigence. It is difficult to ask for a decisive and possibly risky decision from the State Department in an election year. But if they hesitate or equivocate Persia will in all probability be lost to the West.

6. The voice of reason has not been entirely silent during the past few weeks but it has unfortunately gone almost entirely unheard. My Indian, Italian, Iraqi, Yugoslav and Turkish colleagues have all at various times urged moderation on Dr. Musaddiq. I also know that many genuinely patriotic and even nationalist Persians of all classes have suggested that to break now with Great Britain would be a fatal mistake and that by so doing Persia would lose the counterpoise which has in the past kept Russia in check. But Dr. Musaddiq's own strength lies in an appeal to popular passion and not to reason. Regardless of the best interests of his country he is bound to go from one extravagant claim to another yet more extravagant in order to maintain the sense of drama upon which alone his political power is based.

7. With the transfer of political power in the Indian sub-continent the position of the United Kingdom in Persia changed radically. Our continuing responsibility for the primary defence of the Middle East meant that our strategic interest in Persia remains

as great as ever but since we are no longer a neighbour we do not have the readily available means of safeguarding our strategic needs. The last 18 months have seen the almost total elimination of British commercial and banking interests in Persia. I do not know how great an effort we may be prepared to make in the changed circumstances to maintain the dilapidated and tumble-down structure of the Persian State. But one cannot escape the thought that responsibility for the integrity of Persia is one which we should no longer attempt or

be expected to carry alone. Indeed, we no longer have the effective means, political, material or psychological, to carry that burden. I am not suggesting that we abdicate our responsibility but that it must as a matter of urgency be shared with others whose concern in this area is equally vital.

8. I am sending a copy of this despatch to Her Majesty's Ambassador at Washington and to the Head of the British Middle East Office at Fayid.

I have, &c.

G. H. MIDDLETON.

EP 15314/374

No. 96

RECEIPT BY MR. TRUMAN OF A DUPLICATE COPY OF DR. MUSADDIQ'S REPLY TO HER MAJESTY'S GOVERNMENT

Mr. Middleton to Mr. Eden. (Received September 26)

(No. 746) *Tehran,*
(Telegraphic) *September 26, 1952.*

United States Ambassador received a letter addressed to Mr. Truman and signed by Musaddiq saying "I beg to submit here-

with the duplicate of the reply which is being sent to the British Government." Enclosed was a signed duplicate not a carbon copy, of letter addressed to Prime Minister.

No. 97

TEXT OF DR. MUSADDIQ'S MESSAGE TO MR. CHURCHILL REPLYING TO THE TRUMAN-CHURCHILL PROPOSALS

Tehran,
September 27, 1952.

His Excellency,
Mr. Winston Churchill,
Prime Minister of
the United Kingdom,

Your Excellency's message, which was received in the form of a proposal for the solution of the oil problem and the settlement of the dispute between the former company and the Persian Government, has been carefully considered and examined. Although one would have thought that after having spent a year and a half the British Government should have appreciated the real meaning the national movement of Persia, and should have ceased giving improper protection to the former company, unfortunately, contrary to expectations, the effort, which ever since the approval of the law nationalising the oil industry of Persia, has been made by the

former company to revive the invalid 1933 Agreement, is plainly noticeable and obvious in the latest message in changed terms of phraseology. Since it was certain that such a proposal would never be accepted nor approved by the Persian nation, I pointed out immediately to your Government's Chargé d'Affaires that if a solution of the oil problem was desired, it would be better if this proposal were withdrawn and drafted in such way that it could be presented to Persian public opinion and could be used as a basis for future negotiations. This request had no result and after a few days, that is on Sharivar 8, 1331 (August 30, 1952), the message was delivered to me without any change whatsoever.

Before proceeding with the transmission of a counter-proposal I find it necessary to explain briefly the position of the Persian Government in regard to the message.

The said message, like previous proposals, is inconsistent with the laws of nationalisation of the oil industry. Of course, whatever has been mentioned in the beginning of the message concerning the creation of friendly relations for the early solution of the dispute between the two countries is in conformity with the wishes and aspirations of the Persian nation, which has always endeavoured, and is still endeavouring, to strengthen friendly relations with the British people notwithstanding the heavy damages and interminable injuries that it has suffered during recent centuries from the imperialistic policy of the British Government. My Government, as shown by documents and other proofs, has from the very beginning not neglected this matter in any way whatsoever, and has always been prepared to negotiate within the limits of legal principles for the settlement and solution of the oil problem. The failure to achieve any result up to this time has been due to the fact that the British Government has desired to retain the influence of the former company under other titles in the same shape and form as before, in violation of the law and of the rights and desires of the Persian nation. This has been and still is intolerable to the Persian nation.

Another point worthy of attention in this message is the word "equitable," which has been included therein and the solution which has been proposed following this word, which solution is not only inequitable but far more inequitable than previous solutions and proposals.

In its latest message the British Government has wanted to convert the oil question, which is an internal affair and which has been confirmed as such by the decision of The Hague Court, into a dispute between two Governments through the signing of an agreement.

Article I of the annex to the message speaks of compensation which should be paid to the former company for the nationalisation of the oil industry. This article has been drawn up in such a manner that it is feared that it is desired thereby to legalise the invalid 1933 Agreement which has never been acceptable to the Persian people because reference has been made therein to the legal position of both parties immediately prior to the nationalisation of the oil industry. If it were intended that compensation for the property of the former oil company in Persia should be paid, my Government has always been

prepared to enter into negotiations with due regard to the claims of both parties and to find a just and equitable solution. If it were meant that, in the event of disagreement the question should be referred to the International Court of Justice, such procedure should be agreed to between the Persian Government and the former oil company and there would be no need of an agreement between two Governments.

If by Article II of the annex the purchase of oil is intended, the Persian Government has always been prepared to sell and has repeatedly declared this to the world. If, however, it is intended that a purchase monopoly be given to a specific company and interference in the management of the oil industry be renewed, this will never be approved by the Persian nation, for, as a result of such monopoly and interference, economic crisis and difficulties might be created which would lead to the same situation which existed before the nationalisation of the oil industry.

It is in fact admitted in Article III that the British Government's motive in its previous measures was to bring economic pressure on the Persian nation in order that the latter should submit to the unfair terms of that Government. In paragraph A of this article it is stated that if the other terms are accepted they would be prepared to move the oil stored at Abadan but nothing is said about the price, the fixing of which is postponed until subsequent agreement is reached. If the object of this were to aid and assist they should have specified their views about the price as well, in order that the Persian Government would be able to make a definite decision.

In paragraph B of this article mention is made of existing restrictions on exports of commodities and the use of sterling funds by Persia which have repeatedly been the subject of protests by the Persian Government. It has been expressly admitted that such restrictions which have been imposed until now do exist, and it has been promised that in the event of the other terms being accepted these restrictions will be removed. Contrary to what has been claimed in the message it is neither friendly nor equitable to make the removal of illegal restrictions contingent upon the acceptance of certain terms; furthermore, the restrictions by the British Government directed against the Persian Government and nation are not confined to these two instances.

After having stated briefly the objections of the Persian Government I wish to inform your Excellency that the Persian people,

after suffering interminable hardships, have unanimously nationalised the oil industry in the country, which is a sovereign right of every nation. It had two motives in taking this action, namely:—

1. To eradicate foreign influence and agents in the country and thus take charge of its own destiny and insure the political independence of the country while co-operating shoulder to shoulder with the other freedom-loving nations in maintaining world peace. During the half century of the former company's domination it has never been possible for the Persian Government to make a free decision in its internal affairs and its foreign policy. Your Excellency, having been at the head of the British Government over a long period of years, is, of course, aware, as was once expressly admitted by his Excellency Mr. Eden, Foreign Secretary in your Cabinet, after the cruel occupation of Persia during the last World War, that the attitude of the British Government towards Persia was not just and should be changed and that England must take useful and effective steps to win over the public opinion of the Persian nation and to make up for the past. Unfortunately, however, this promise was never kept and no sign of a change in the British attitude became apparent and, as soon as signs of the awakening of the Persian nation were noticed, British capitalists persuaded the British Government to employ all kinds of pressure so that the Persian nation should never be able to check their covetous aims. Consequently, after the Persian nation decided to nationalise the oil industry the British Government, instead of appreciating the true desires of the Persian people, against principles, intervened in the dispute and gave protection to the former company, doing everything it could to put obstacles and difficulties in the way of the carrying out of the desires of the Persian people. It wrongfully dragged the case before the Security Council and from there to the International Court of Justice at The Hague, and, now that it has been proved in both places that the Persian nation is justified, it is not prepared to abandon its old attitude in order that an agreement may be reached between the former company and the Persian Government for the settlement of the dispute.

2. The Persian nation's other motive in taking this action was to improve economic conditions because during the period when the former company was engaged in ex-

plotting the resources of Persia, it was never prepared to consider and observe the rights of the Persian nation, even in conformity with the D'Arcy Concession and the invalid 1933 Agreement. During this time the taxes which the company paid to the British Government and which were wrongfully assessed on the dividends accruing to the Persian Government were several times the income paid to the original owners of the oil, i.e., the Persian nation. It is surprising that, in spite of its participation in the profits, the Persian nation was never able to ascertain the quantity of oil which the British Admiralty had obtained from the company, nor the amount of money which had been paid.

By nationalising the oil industry the Persian people wanted to take for themselves the maximum profits made from their resources by a foreign company over a long period of years and, by making up for the past injustices and by recouping their losses, to make every effort to provide for the welfare of a people, 90 per cent. of whom are deprived of all the advantages of life in human society.

In the present circumstances the Persian nation may follow one of two roads: either it must endeavour to improve the social conditions and ameliorate the situation of the deprived classes, something that would be impossible without the income from oil, or, if this road should remain blocked, it should surrender itself to probable future events which would be to the detriment of world peace.

I have repeatedly stated, and I explicitly declare once more, that the Persian Government is exceedingly eager that the existing differences be removed as soon as possible in order that the two nations may, as a result of good understanding, enjoy the results of co-operation and mutual assistance, and fulfil their duty for the preservation of world peace in the best manner.

With reference to the above I bring the following to your Excellency's attention. Persian courts are the only competent channel for investigating the former company's claims and are prepared to adjudicate them, but should the company not wish to refer its claim to the above-mentioned competent authorities and should the International Court of Justice at The Hague be able to deal with the dispute between the Persian Government and the former oil company on the basis of an agreement between the two parties, and should there be no illusion that such action recognizes the existence of a dispute

between two Governments, my Government, in order to show its complete goodwill after agreement on the four articles below is prepared to agree to the judgment of the International Court, and in this case the International Court will be requested to issue its final verdict as soon and as far as possible within six months.

Article 1. Compensation.—Determination of the amount of compensation to be paid for property belonging to the former oil company at the time of the nationalisation of the oil industry in Persia and arrangements for paying this by instalments based on any law carried out by any country for nationalising its industries in similar instances which may be agreed to by the former oil company. This is the only compensation which the Persian Government will pay to the former company and the company will have no right to make any further claims whatsoever.

Article 2. Basis of Examination of Claims.—Examination of claims of both parties on the basis of one of the following three provisions to be recognized by the International Court of Justice as fair and just for settling the parties' claim and used by it as the basis for judgment:—

A.—Examination of claims of the two parties up to the date of nationalisation of the oil industry on the basis of the D'Arcy agreement with due regard to the calculation of income tax which the Persian Government should have received in accordance with the country's enacted laws.

The above-mentioned agreement is referred to only for the purpose of settling the financial differences up to the date of the nationalisation of the oil industry (9th of Ordibehesht 1330 which is equivalent to the 30th April, 1951). As from that date this agreement ceases to apply and can in no way be used or invoked by either of the parties, and from that date the company has been acting as a trustee.

B.—Examination of claims of both parties from 1933 to the end of 1947 on the basis of the invalid 1933 Agreement and from the beginning of 1948 to the 30th of April, 1951 on the basis of the above-mentioned invalid agreement and the Gass-Golshayan supplementary draft agreement which was agreed to and signed by the former company but which both Houses of the Persian Parliament did not consider adequate for obtaining the Persian nation's rights.

Reference to the 1933 Agreement is solely and exclusively for the purpose of solving financial differences between the parties up to the end of 1947 and the above-mentioned invalid agreement, with the addition of the Gass-Golshayan supplementary draft agreement, is solely and exclusively for solving financial differences from the beginning of 1948 to the 30th April, 1951. All effects of the agreements cease from the date of nationalisation of the oil industry and cannot be used or invoked in any way by either of the parties and from that date the company has been acting as a trustee.

C.—Examination of the claims of both parties on the basis of the fairest concession agreements of other oil producing countries in the world, where the cost of producing oil, according to that concession, is not cheaper than the cost of producing Persian oil during a corresponding period. Obviously, from the date of nationalisation of the oil industry the company is acting as a trustee.

There is no need to mention that the use of any of the three above-mentioned provisions as a basis is merely in order to calculate the financial claims of the parties up to the date of the nationalisation of the oil industry and has no connexion with the articles of the above-mentioned agreements which refer to the investigation of differences. The claims of both parties as specified above should be judged directly by the International Court of Justice.

3. *Determination of Damages.*—Examination and determination of the amount of damages caused to the Persian Government resulting from the difficulties and obstacles put in the way of the sale of Persian oil by direct and indirect activities of the former oil company as well as losses resulting from the delay in payment of funds, which are definitely debts owed by the company.

4. *Payment in Advance and on Account.*—Payment in advance and on account of £49,000,000 shown on the former oil company's balance sheet for 1950 as increases in royalty, taxes and dividends due to Persia from the reserves.

From this amount any part due from royalty and tax, as it was guaranteed on a gold basis, must be paid in sterling convertible into dollars.

Although the said amount is definitely owing to the Persian Government by the company, in order to show its utmost goodwill the Persian Government agrees that if the International Court of Justice does not consider Persia entitled to all this

amount or any part of it, sums received in this connexion will be regarded as the Persian Government's debt to the former oil company and will be settled without delay by delivery of oil.

Reference to the judgment of the International Court of Justice on the basis of the four articles mentioned above, which is a sign of extraordinary concessions on the part of the Persian Government, is binding on the latter only when they are accepted in their entirety. None of these articles can be invoked separately.

Of course, the Persian Government will take up through the International Court of Justice as a case between two Governments, the question of losses caused by various difficulties and obstacles created by the

British Government in their attempt to support the former company, as well as losses resulting from restrictions imposed on exports to Persia and on the use of sterling which the British Government has acknowledged in sub-paragraph B of Article 3 of the annex to the joint message.

This proposal is valid for ten days from the date of delivery.

In conclusion I bring to your Excellency's attention the fact that the National Iranian Oil Company is always prepared to sell its oil products.

Dr. Muhammad Musaddiq,
Prime Minister,
Tehran, September 24, 1952.

EP 15310/372

No. 98

DESIRE BY THE PRIME MINISTER FOR CONTINUED ANGLO-AMERICAN CO-OPERATION OVER THE OIL PROBLEM

Mr. Eden to Mr. Middleton (Tehran)

(No. 4087. Secret) *Foreign Office,*
(Telegraphic) *September 28, 1952.*

Following is text of Prime Minister's message to President Truman:—

"You will no doubt have already seen the lengthy message which Musaddiq sent me in reply to our joint telegram. Anthony and I have prepared a draft answer for your consideration. Evidently his hope is to avoid our joint approach. It seems for this very reason all the more important that we should continue together. Britain has suffered by Persian depredations losses which I am told may amount to £60 million sterling a year across the dollar exchange. We cannot, I am sure, go further at this critical time in our struggle for solvency than the proposals which you agreed were fair and just. It seems also to me, if I may

say so, that it would be a hard prospect for the American taxpayer to have to bribe Persians (and how many others?) not to become Communists. Once this process started it might go on a long time in a lot of places. Naturally I have thought a great deal about the danger of a Tudeh revolution and Soviet infiltration or aggression. I may of course be wrong but as I at present see it I do not feel that it will happen that way in the near future. Anyhow, it seems far more likely that Musaddiq will come to reasonable terms on being confronted with a continued Truman-Churchill accord. I earnestly hope therefore that we can send him a message from us both on the lines of this draft.

"Private. We follow with keen attention all your present diversions.

WINSTON."

EP 1015/251

No. 99

INTERNAL DEVELOPMENTS IN PERSIA

Mr. Middleton to Mr. Eden. (Received 2nd October)

(No. 296. Confidential) *Tehran,*
Sir, *September 30, 1952.*

I have the honour to submit the following account of the most recent internal developments in Persia.

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2. Since his return from Mecca, Kashani has considerably increased his activities. He still claims to be pursuing his original scheme of uniting the Islamic world, though he appears to have suffered something of a

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set-back since his initiative has not been received with much enthusiasm by other Muslim countries. For this reason Kashani, while not altogether content with gaining increased power in Persia itself is, nevertheless, devoting his energies to this end. He has given his encouragement to a new movement, started by his son, called The Nihzat-i-Sharq (Movement of the East), and he has been trying to enlist the general co-operation of leading mullahs, among them Birujirdi, Isfahani and Bihbihani, and to extend his influence throughout all classes of society. This activity has encouraged the opposition to Musaddiq to rally round Kashani in the hope of using him to remove the Persian Prime Minister. There have been so many rumours of differences of opinion between Kashani and Musaddiq that the former felt himself obliged to make a statement last week in which he declared his full support for the Premier.

3. Some fifty Deputies met in Kashani's house on 23rd September. A number of speeches were made attacking the Government, although the attacks on Musaddiq personally were mild and merely suggested that it was high time he made some effective use of his full powers. Among the Deputies who made aggressive speeches were Qanatabadi and Karimi, the former being Kashani's right arm and strong man. Both these Deputies were extremely outspoken in their criticism of corruption and inefficiency in the various Ministries. Kashani's line was that Musaddiq was doing his best in difficult circumstances and should be helped and supported.

4. I assess the real state of affairs between Kashani and Musaddiq somewhat as follows. There have been a number of small differences between them, and Kashani would like to see Musaddiq removed, if he could be quite certain that this would not damage his own position. In spite of their differences, however, the two men have, until now, been largely dependent upon one another and each one owes his present position to the other's help. In a conversation which Kashani had with General Zahidi on 25th September he indicated that it was quite impossible for him, at the moment, openly to oppose Musaddiq. He also hinted that Musaddiq had certain evidence against him, Kashani, which he would not hesitate to use if the latter were openly to act against him. Kashani's words to Zahidi were: "This Musaddiq, he disgraces people and blackens their name." He then hinted to Zahidi that he regarded with favour the latter's attempt to come to

power but did not promise him any open support. Zahidi, however, was very encouraged by his interview, particularly as Kashani had visited him and not *vice versa*. Their talk lasted for three hours and Zahidi later expressed the view to a member of my staff that Deputies such as Qanatabadi and Karimi would not have made such violent attacks on the Government at the meeting held at Kashani's house without Kashani's tacit agreement. I think there is substance in this view. A section of the Opposition hope to bring Zahidi to power with Kashani's help and Zahidi himself tends to be over-optimistic and to under-estimate the difficulty of bringing such a plan to fruition. Kashani is, of course, cunning enough to realise that many of the people who are now supporting him are only doing so to get rid of Musaddiq and it is unlikely that he will be deceived by this intrigue which is by now not only open but blatant. He is likely to proceed with great caution and not to act against Musaddiq until he is quite sure that he is master of the situation and has a new Prime Minister who will be completely under his control. At the moment he is not seriously considering the premiership for himself, but is believed to have ambitions of becoming the first "President of the Republic."

5. Reports of insecurity all over the country continue to reach Tehran and it is certain that many of these reports are never made public. There have been a number of small incidents in many districts, including Kurdistan, where there have been tribal skirmishes, and Isfahan, where rowdies attacked six cinemas and a theatre, smashing everything in sight. Riots and disorders at Masjid-i-Sulaiman, caused by unemployed oil workers, have given the Government a pretext for issuing special orders regarding travel to the oil areas. No one, Persian or foreign, is allowed to visit the oil districts of Khuzistan, Kermanshah and Qum without a special pass. The Government appear to be genuinely anxious about the lack of security in these areas.

6. Dr. Musaddiq has issued a decree for the reform of the Justice Department. The main feature of this is the abolition of special courts, military, criminal and financial. This step is particularly welcome to the Tudeh Party, whose members, as well as ordinary armed robbers, will in future be tried by a civil court. A hundred prisoners have already been handed over from the military to the civil courts. As to the reform of the Justice Department itself, it is

almost certain that this will not be effectively carried out.

7. The Shah remains mute and helpless. He has chosen this period of crisis in his country's affairs to take a holiday at Ramsar. There have been a number of rumours that he intends to abdicate and I am reliably informed that, up to recently, Queen Suraya was urging him to do so. She has been dissuaded from this, but Musaddiq's threat to break off diplomatic relations with Britain brought another flood of rumours which were to the effect that the Shah had informed Musaddiq that, if the latter were to sever relations with Britain, he, the Shah, would abdicate. I understand that the Shah did not make a statement quite as categorical as this, but he appears to have tried to dissuade Musaddiq from taking such a final and drastic step.

8. My estimate of Dr. Musaddiq's own position in the country is that he is considerably weaker than he was immediately

after his return to power but still remains stronger than he was before his fall. Most Persians persist in the belief that he is supported by the Americans and that his future largely depends on whether this support will be continued or not. The activities of Mr. W. Alton Jones have, of course, been of great help to Musaddiq and might to some extent off-set any clear withdrawal of American political support. Nevertheless, if the idea that the Americans are working against us and are supporting Dr. Musaddiq and the National Front could be eradicated from the Persian mind, this would be the greatest single blow that could be dealt to Dr. Musaddiq.

9. I am sending copies of this despatch to Her Majesty's Ambassador at Washington and to the Head, British Middle East Office, at Fayid.

I have, &c.

G. H. MIDDLETON.

No. 100

PRESIDENT TRUMAN'S VIEW OF A JOINT REPLY TO DR. MUSADDIQ'S NOTE

Sir O. Franks to Mr. Eden. (Received October 2)

(No. 1869. Secret)

(Telegraphic)

Washington,

October 2, 1952.

Message from President Truman to the Prime Minister:—

"I do not believe that a joint reply to Musaddiq's note would be wise. I had hoped that our reasonable and fair joint offer, which seemed to meet Musaddiq's principal points of difficulty, would break the log jam. I am now convinced that Musaddiq will not, and believes he cannot (if he is to survive), accept this solution. The situation in Persia has deteriorated so far that he is threatened by the extremists who will not have it. To lock ourselves into this offer by a joint reply reasserting it, seems to me to so constrict our future relations with Persia as to preclude any influence

or action which might help to save the country. I believe that pressure will not save it by bringing Musaddiq to reason but will hasten its disintegration and loss.

"We both want to accomplish the same results in Persia—to prevent a Communist take-over and to preserve the moral and legal rule of just compensation for property taken.

"There seems very little that any reply as such can accomplish except to keep the record straight. I can understand, too, your belief that you must answer the accusations made against British action in Persia. So I think that if this Government replies at all it should do so separately. We are thinking of something along lines which Mr. Acheson will show to Sir Oliver."

**DISCUSSION BETWEEN HER MAJESTY'S AMBASSADOR AND
MR. ACHESON CONCERNING A SUITABLE REPLY TO
DR. MUSADDIQ**

Sir O. Franks to Mr. Eden. (Received October 4)

(No. 1883. Secret) *Washington,*
(Telegraphic) *October 4, 1952.*

I had a difficult discussion of over one-and-a-half hours with Acheson on how to reply to Musaddiq. He began by saying that he had just hurriedly glanced through our draft of detailed refutation and was most unhappy about it. There were two particular points. Firstly, that in the course of paragraph 7 after referring to what the British and United States Governments proposed, the draft proceeded to interpret, that is to say, to interpret what the United States Government as well as the British Government meant by what they said. The United States Government did not mean what the draft alleged them to have meant. Secondly, final paragraph 16 had the full flavour of, take this or else nothing. The Americans did not agree with this. The door must be held open to permit further discussion.

2. Acheson's view was therefore that it would be best for the Americans to say nothing and for us to say what we wished provided that we did not interpret the mind of the United States Government. He would not proceed with the draft message to Musaddiq which you had seen.

3. I said that this would not do. In my personal opinion the one point of great importance was to maintain a common position. If we could not do that Musaddiq would have achieved considerable success and would be emboldened to be still more impossible in his attitude to us. The prospects of a settlement would be retarded.

4. Acheson then said that he did not think that the attempt to speak in parallel was any good because our views clearly

differed and we should only get deeper into trouble by using words which meant different things to each of us. We differed, he said, on the purpose of any communication with Musaddiq. The British wanted to reaffirm the position on a once-for-all basis. The Americans wanted to leave the door open for further discussion. Furthermore, the Americans believed that in one way or another there might still be a chance of getting a settlement with Musaddiq but none with Kashani or a Prime Minister nominated by Kashani. The British did not attach, so far as he could see, any importance to keeping Musaddiq in office. Yet from the point of view of the security of Persia and that of general security, a change from Musaddiq in the American view could only be a change for the worse.

5. I said that no doubt there were now as there had been for the last twenty months differences of emphasis and minor divergences of view between the Americans and ourselves. There was, however, also a large area of agreement. The important thing was to keep and enlarge this area. I could not see why our general purposes were not helped by continuing our joint position and accepting your suggestion that you and Acheson should send a joint message or, failing that, identic messages on the lines of his clarifying draft. I said further that the Americans ought not to have solely in their minds the purpose of making it possible for Musaddiq to continue talking. There was a real problem about whether the British could continue talking if, whatever the turn of circumstance, they were asked by the Americans to give, and Musaddiq encouraged to take.

EP 15314/408

No. 102

**RECEIPT BY DR. MUSADDIQ OF MESSAGE DESIGNED TO CORRECT
ANY MISUNDERSTANDINGS OVER ANGLO-AMERICAN
APPROACH**

Mr. Middleton to Mr. Eden. (Received October 5)

(No. 771) *Tehran,*
(Telegraphic) *October 5, 1952.*

When I handed the message to Musaddiq, who for once was up and dressed, he read

the Persian translation and then said "so it is all finished." After a brief silence I said that the purpose of the message was to correct obvious misunderstandings which

had been in the Persian mind when they were drawn up, and I hoped he would re-examine the original Anglo-American proposals in the light of this message. Musaddiq replied that it was no good negotiating with a dead man and without money Persia would soon be dead. He had more than once made it clear in conversations with myself as well as with the Indian Ambassador and others, that if £49 million could be paid he was ready to discuss concessions on other points. But it was now too late and events must take their course. He was a fatalist and believed what must be, must be.

2. At this point the Persian Prime Minister had tears in his eyes and was clearly not disposed to prolong the conversation. In view of your instructions I did not seek to enter into a discussion. Musaddiq did not (repeat not) mention a rupture of diplomatic relations, but as I left he was kind enough to wish me success in my future career and, in my opinion, he has it in mind to make the break. I should add that a number of well informed persons believe that he may decide to close down the Persian Embassy in London without insisting that we close this embassy.

EP 15314/432

No. 103

**NOTIFICATION OF DELIVERY TO DR. MUSADDIQ OF MESSAGES
OF REGRET FROM THE UNITED STATES AND THE
UNITED KINGDOM**

Mr. Middleton to Mr. Eden. (Received October 9)

(No. 299. Unclassified) *Tehran,*
Sir, *October 6, 1952.*

I have the honour to send you herewith copies of the message sent from you to Dr. Musaddiq, which I delivered at 10.30 a.m. on the 5th October under cover of a short letter,⁽¹⁾ copies of which are enclosed. I attach copies also of Mr. Dean Acheson's message and the covering letter⁽¹⁾ of my United States colleague, who saw Dr. Musaddiq at 11 a.m. on the same day. I have already reported in my telegrams Nos. 771 and 772 the immediate reaction of the Persian Prime Minister to these two notes.

2. I am sending copies of this despatch to the Head of the British Middle East Office and to Her Majesty's Ambassador at Washington.

I have, &c.

G. H. MIDDLETON.

Enclosure 1 in No. 103

Message to his Excellency Dr. Muhammad Musaddiq from Mr. Anthony Eden, Her Majesty's principal Secretary of State for Foreign Affairs, Dated the 5th October, 1952

Mr. Churchill and I and our colleagues in Her Majesty's Government are disappointed to see from your message that our latest proposals for a settlement of the oil dispute

should have been misunderstood in so many ways. The fears which you express are without foundation. The proposals in no way fail to recognise the fact of Persia's nationalisation of her oil industry or seek to revive the 1933 Concession. There was no suggestion that there should be foreign management of the oil industry, still less was this put forward as a condition. We did not contemplate a monopoly of purchase of oil.

The proposals suggested an equitable method, not necessarily the only method, of settling all claims and counter-claims of both sides by impartial adjudication. We said nothing about the price of oil because that falls to be discussed between seller and purchaser and not between Governments.

I am sending you this message in order that whether or not you accept the proposals you and your countrymen may know exactly what we had in mind.

Enclosure 2 in No. 103

The text of a message to his Excellency the Prime Minister of Persia, from the Secretary of State of the United States of America (delivered October 5, 1952)

I have been in touch with the President since he received your message of September 24, 1952, and, since he is away from the capital at this time, he has authorised me to

⁽¹⁾ Not printed.

acknowledge your letter. He is disappointed to learn from it that you have found unacceptable the proposals which were put forward on August 30, 1952.

It had been our understanding that the Persian Government's position was that negotiations for settlement of the oil dispute must take into account: (a) the fact of nationalisation, (b) the complete independence of Persia in the operation of its oil industry, and (c) the freedom of Persia to sell its oil on other than a monopoly basis.

It was and is our sincere belief that the proposals which were put forward on August 30 met these points. These proposals clearly recognised the fact of nationalisation and did not seek to revive the 1933 concession, or any concession. Foreign management of the industry was not put forward as a condition, or even

suggested. There was no intent to propose a monopoly of the purchase of Persian oil.

As regards claim for compensation by the company and the counter-claims by Persia, we suggested a method of settlement of all claims by impartial adjudication. There are doubtless other equitable methods. In regard to the question of the price to be paid for Persian oil, we suggested that this should be worked out between purchaser and seller rather than by Governments.

Regardless of the acceptability of the proposals of August 30, it is a matter of regret to us that their meaning should have been misunderstood. We have tried to correct this because of the real importance which attaches to our words being understood by you as they were meant by us.

DEAN ACHESON.

No. 104

MR. ACHESON'S THOUGHTS CONCERNING THE NEXT MOVE WITH DR. MUSADDIQ

Sir O. Franks to Mr. Eden. (Received October 10)

(No. 1910. Secret)
(Telegraphic)

Washington,
October 9, 1952.

[EXTRACTS]

Musaddiq's reply.

Following for Secretary of State:—

I saw Acheson, who asked me to tell you informally but urgently of his thoughts about the next move with Musaddiq. His pre-suppositions were that Musaddiq's last reply was quite impossible, that he was now making conditions for which there was no shred of legal justification and that the continued procedure by ultimatum was hopeless. At the same time he thought we had to take seriously the possibility that Musaddiq would break off relations with Britain at the expiry of the seven-day period and this, from all points of view, would be an unhelpful act.

2. He thought the position reached as a result of recent exchanges made it quite clear that a settlement of the oil problem was not going to come about by negotiation between Governments. Further, he saw no prospect of arriving at an answer to the compensation issue by balancing out claim

and counter-claim, since we should never obtain an agreed basis on which such an assessment could be based.

3. As Acheson saw it, there were three fundamentals to the whole problem. First, a quantity, preferably stated in oil, or, failing that in money, had got to be named which would settle the compensation issue without any going over claims and counter-claims, but which would at the same time be, without further discussion, the full settlement of them all. Secondly, in view of Persia's urgent need for finance, moneys had to be made available to her. The only acceptable basis he could see was for such moneys to be made available as pre-payments for oil bought outside of the free oil required for compensation. Thirdly, this involved, in his view, a body which could be set up as a distributing agency for Persian oil and could contract with the Persian Government for oil, thereafter selling it mainly to A.I.O.C. and to other lesser customers. These three notions seemed to him basic to any solution of the general problem.

No. 105

ANGLO-AMERICAN AGREEMENT ON THE NEED FOR A FIRM NEGATIVE REPLY TO DR. MUSADDIQ

Mr. Eden to Sir O. Franks (Washington)

(No. 4309. Secret)
(Telegraphic)

Foreign Office,
October 11, 1952.

[EXTRACTS]

I am glad to see that Mr. Acheson's views on Musaddiq's latest message are as strong as ours. As he surmises, we hope to reply within the seven-day period and our reply must be a firm negative. It must also be fairly detailed since we have repeatedly been warned by Mr. Middleton that our case is in danger of going by default.

2. I also agree with Mr. Acheson that we have probably exhausted the possibilities of a settlement by inter-governmental negotiation. There is at least a possibility that we may break the deadlock (without breaking the common front) by means of an indirect approach. We are in contact with a suitable person who should shortly be in a position to influence Musaddiq and who is willing to do his best. Any ideas he might wish to put forward would, of course, be his own, and he would not be in the position of

an intermediary. We understand that he has ideas of his own and we are ready to give him any information he requires.

3. We will examine Mr. Acheson's new idea with all possible speed and consult the A.I.O.C. who are, of course, vitally affected. At first sight it appears to be a non-starter. We cannot promise to give our views before we deliver our reply to Musaddiq. I doubt whether anything we could say, short of capitulation, would deter Musaddiq from breaking off relations if his mind is made up. In any case I would rather run the risk of a break than commit myself in advance to a proposal which will almost certainly be found unacceptable and which Musaddiq himself would be likely to reject. I hope that Mr. Acheson has not forgotten that he and his Department have repeatedly recognised the fairness of the joint proposals and have declared they do not wish to urge us to accept or offer anything going beyond them (your telegram No. 1788).

EP 15314/449

No. 106

REPLIES BY DR. MUSADDIQ TO MR. EDEN AND MR. ACHESON

Mr. Middleton to Mr. Eden. (Received October 15)

(No. 306. Unclassified)
Sir,

Tehran,
October 12, 1952.

I have the honour to send you herewith copies of Dr. Musaddiq's reply, dated the 7th October, to your message to him of the 5th October. The text of the Persian reply was telegraphed in my telegram No. 784 of the 7th October, and my comments are contained in my telegram No. 789 of the 8th October.

2. I also attach copies of Dr. Musaddiq's message to Mr. Acheson of the 7th October, in which was enclosed a copy of the former's message to you.

3. I am sending copies of this despatch to Her Majesty's Ambassador at Washington, and to the head of the British Middle East Office at Fayid.

I have, &c.

G. H. MIDDLETON.

Enclosure 1 in No. 106

Message dated the 7th October, 1952, from his Excellency Dr. Muhammad Musaddiq, Prime Minister of Persia, to Mr. Anthony Eden, Her Majesty's principal Secretary of State for Foreign Affairs

His Excellency Mr. Eden, Her Majesty's Secretary of State for Foreign Affairs.

Your note dated 5th October, 1952, which recognised in its entirety the action of the Persian Government in nationalising its oil industry, and stated that it did not intend to revive the invalid 1933 Concession Agreement, nor to interfere in the administration of the Persian oil industry and recognised the Persian Government's freedom to sell its oil products, was handed to me by the British Chargé d'Affaires in Tehran.

2. While taking into consideration the fact that the text of the note in question in the parts mentioned above is in accordance with the indisputable rights of the Persian nation, and the same above-mentioned facts are taken as documentary evidence, at the same time it is a matter of regret that in this note, which was in answer to my note of 2nd Mehr 1331 (24th September, 1952), you did not make any reference to the counter-proposals dated 2nd Mehr, 1331 (24th September, 1952). I find it necessary to inform you again that the object of my counter-proposals was to avoid wasting time and to find an equitable way of investigating the claims of the former oil company and the counter-claims of the Persian Government. Now I once again, with the same object in view, declare my readiness for discussion and settlement of this problem. In order that it should be finally quite clear how this dispute stands, representatives of the former A.I.O.C., invested with full powers, are invited to leave for Tehran within a week as from to-day's date, for the purpose of necessary discussions within the limits of the Persian Government's counter-proposals. Taking into consideration the several years' delay by the former company in paying its debts to the Persian Government and also the Persian Government's need for immediate aid, before the departure of its representatives for Persia the former oil company should put at the disposal of the Persian Ministry of Finance the sum of £20 million, convertible into dollars, out of the £49 million mentioned in article 4 of my counter-proposals dated the 2nd Mehr, 1331 (24th September, 1952). The remainder of the above-mentioned sum should be placed to the credit of the Persian Government at the end of negotiations, for which a maximum period of three weeks is envisaged.

3. In conclusion it is expected that the complete goodwill of the Persian Government towards a just solution of differences, which has been reaffirmed in this note, will be well received and made use of. Your Excellency's attention is particularly drawn to the point that the Persian Government has always indicated the serious consequences of delay in reaching a rapid and final solution of the differences. You are now once again reminded of the impossibility of the continuation of this state of affairs and any eventuality arising from pursuit of this policy is not the responsibility of the Persian Government.

DR. MUHAMMAD MUSADDIQ,
Prime Minister.

15th Mehr, 1331.

Enclosure 2 in No. 106

Following is translation of letter addressed to Mr. Acheson by Dr. Musaddiq dated 7th October, 1952:—

The Honourable Mr. Acheson, Secretary of State of the United States of America. I have received the reply to my counter-proposals which was sent on behalf of his Excellency the President of the United States of America through the Honourable the American Ambassador in Tehran.

I have gratefully examined the explanations which were furnished with a view to removing the ambiguity of the joint message dated August 30, 1952. I am most grateful for the efforts exerted by the respected authorities of your Excellency's Government towards the settlement of current disputes. However, as to the statement that "he is disappointed to learn from it that you have found unacceptable the proposals which were put forward on August 30, 1952," I think that in my counter-proposals dated September 24, 1952, the reasons for the non-acceptance of the joint message were sufficiently explained. It is possible that his Excellency the President does not remember that nineteen months have elapsed since the date of the nationalisation of the oil industry throughout Persia, while in the meantime nothing useful has been accomplished towards the settlement of differences and the question of determination of compensation has been entirely left to correspondence and procrastination.

The Persian Government and nation have every day been faced with new social and economic difficulties arising from the economic blockade of Her Britannic Majesty's Government.

The greatest goodwill was shown and maximum possible concessions for the settlement of this question were made in my counter-proposals. In order that this goodwill and earnest desire to bring this matter to an end may even more be evinced, I have, in reply to the message from his Excellency Mr. Eden, Her Britannic Majesty's Foreign Secretary, made a proposal, a copy of which is enclosed for your Excellency's information, to the effect that plenipotentiary representatives of the former Anglo-Iranian Oil Company be sent to Tehran to discuss the terms of my counter-proposals dated September 24, 1952. With a view to alleviating the economic and financial situation of Persia, and also in order that the former company may provide a token for the fulfilment of obligations assumed by it in the past, it has

been added to the said proposal that, prior to the departure of the plenipotentiary representatives of the company, which will be one week from this date, it should place at the disposal of the Imperial Ministry of Finance a sum of £20 million sterling on account convertible into dollars (out of the £49 million), and arrange for the payment of the balance thereof upon the termination of negotiations which are anticipated to last three weeks.

It is not necessary to explain that during the last year and a half the Persian Government and nation have suffered huge losses as a result of procrastination and exchange of notes and correspondence, in such a way that no fair-minded and unbiased individual would hold the Persian Government and nation responsible for any sinister consequence and unfortunate development which may result from the maintenance of this policy.

I wish to invite your Excellency's careful personal attention to the serious and basic implication of the preceding sentence and to existing conditions.

I am certain you will agree that the prompt and immediate settlement of this matter would be a great and important contribution towards insuring the peace and public security of one of the sensitive areas of the world.

I request you to convey to his Excellency the President the expression of my highest consideration, and to accept my sincere appreciation of the efforts he has exerted and is still exerting to find a solution for the existing differences.

DR. MUHAMMAD MUSADDIQ,
Prime Minister.

7th October, 1952
(15th Mehrmah, 1331).

EP 1351/3

No. 107

CORRESPONDENCE BETWEEN THE PERSIAN AND SOVIET GOVERNMENTS CONCERNING THE EXPIRY DATE OF THE CASPIAN FISHERIES AGREEMENT

Mr. Middleton to Mr. Eden. (Received October 15)

(No. 309. Confidential) Tehran,
October 13, 1952.

Sir,
In recent weeks there has been considerable discussion and press comment about the Caspian Fisheries Agreement between the Persian and Soviet Governments, which, it was generally maintained, was due to expire on the 1st October, 1952. I now have the honour to report that the Persian Government published a few days ago the text of a note, dated the 25th September, sent by the Ministry of Foreign Affairs to the Soviet Embassy, of which I enclose a French translation from the *Journal de Tehran*. The note merely points out that there is a difference of opinion about the date of termination of the agreement and asks the Soviet Embassy for its opinion whether the true date is the 1st October, 1952, or the 19th April, 1953. An official of the Ministry of Foreign Affairs stated that the matter was also being raised by the Persian Embassy in Moscow and that the Persian Government would not take any further action pending a reply from the

Soviet Government. The reply seems to be expected in the near future. Ayatullah Kashani stated, without any justification to my knowledge, that the Soviet Government had already announced their readiness to hand the fisheries over to Persia and that the Persian *démarche* would be successful.

2. The two possible dates of expiry of the agreement given in the Persian note do not agree with the provisions of the agreement itself. According to the agreement, which was signed in October 1927, the period of validity is twenty-five years from the date of exchange of the instruments of ratification. According to my records these were exchanged on the 31st January, 1928, and the agreement should therefore be due to expire on the 30th January, 1953.

3. It is possible that the Persian Government are deliberately ignoring the clear provision in the agreement about the period of validity and are consciously offering the Soviet Government an opportunity to choose the 19th April as the expiry date. This is borne out to some extent by repeated

comments which have appeared in the press to the effect that Dr. Musaddiq is loth to press the issue of the Caspian fisheries for the time being in view of the pre-occupation with the oil problem and the undesirability of "fighting on two fronts." It remains to be seen whether the Soviet Government will stick to the letter of the law or take the opportunity offered to them.

4. From the political and military point of view there is everything to be said for getting the Russians out.

- (a) At the height of the season the total labour force numbers about 5,000.
- (b) This force covers every river mouth, and, indeed, most of the coast.
- (c) Most of them are Azerbaijanis, who come down for the winter. Thus the local security forces know nothing about them.
- (d) The Monopoly Company "Shilat" has its own telephone all along the coast.
- (e) Shilat's exemptions from Customs, permits anything to be brought in or sent out.
- (f) Money matters are kept entirely in Russian hands. Officially the company makes very little profit and thus the Persian Government gets little revenue. Yet we know that the company is free with *pourboires*.

5. Whatever the outcome of the present Persian approach, it occurs to me that it would be useful to give suitable publicity to the issue, primarily with a view to embarrassing the Persians but also to show up the Russians.

6. The Persian Government in their note have taken a very different attitude towards "foreign exploiters" of their natural resources in the north compared with their policy towards the Anglo-Iranian Oil Company (A.I.O.C.) in the south. Whereas they are now hesitating to press their legitimate opinion on the date of expiry of the Fisheries Agreement, they felt no compunction in terminating unilaterally the 1933 Oil Concession Agreement which still had over forty years to run. Whilst it is true that the Persian Government receive a share of rather more than 50 per cent. of the Fishery Company's profits, these profits are undoubtedly much lower than they should be, taking into account the final selling price of its products, particularly caviar, virtually all the exports of which go in the first place to the Soviet Union. The export of caviar

is the monopoly of the company and Persia receives little more than is needed to meet internal consumption. The largest annual amount of caviar exported in recent years was 425 metric tons in 1939-40. In 1950-51, the latest year for which complete Customs statistics are available, 194 tons valued at 38,744,000 rials were exported. This represents an average price of 200 rials a kilog. of \$6 at the low official rate of exchange. I hear that the retail price of caviar in New York, for example, is \$20 and more a pound. Even allowing for transport and distribution costs, the Soviet Government are in a position to make a hidden profit by reselling caviar considerably in excess of the price paid by them to the Fishery Company. Officially inspired comment in the press has tried to draw a distinction between caviar and oil exports by maintaining that it would not be possible for the Persian Government to export fishery products from the Caspian by shipping them by rail to Persian Gulf ports. But there is no reason why, with modern air transport, Persia should not have equal opportunities with the Soviet Union to sell caviar in profitable foreign markets.

7. Other points to which attention might be drawn are two provisions of the agreement itself, which are particularly interesting in view of the Persian Government's repeated references to the "iniquity" of the oil agreements and in view of the Soviet Union's propaganda about capitalistic imperialism. Article 11 of the agreement restricts the company to employing only Persian and Soviet nationals but, much worse, Article 14 lays down that, if the agreement is not renewed at the end of twenty-five years, the Persian Government will not grant a concession for the fisheries to third Powers or their nationals or even employ any but Persian nationals if the Persian Government themselves continue to exploit the fisheries. There is nothing in any of the A.I.O.C. Agreements, concluded or proposed, which, by any stretch of the imagination, could compare with this limitation of Persia's political and economic sovereignty, especially when it is to be applied, as in this case, after the agreement in question has lapsed.

8. I am sending copies of this despatch to Her Majesty's Ambassadors at Washington and Moscow, the Head of the British Middle East Office at Fayid and the Development Division at Beirut.

I have, &c.

G. H. MIDDLETON.

Enclosure in No. 107

Extract from Journal de Tehran,
9th October, 1952

Note du ministère des affaires étrangères à l'ambassade de l'U.R.S.S.

Le ministère impérial des affaires étrangères présente ses compliments à l'ambassade de l'U.R.S.S. et a l'honneur de porter à sa connaissance ce qui suit :

"En ce qui concerne la date de l'expiration de l'accord de la concession des Pêcheries irano-soviétiques, signé le 1er octobre 1927, un différend a surgi en ce sens que cet accord a été conclu le 1er octobre 1927, correspondant au 8 mehr 1306 de

l'année iranienne. Aussi, normalement, c'est en mehrmah de l'année courante que cet accord doit venir à expiration.

D'autre part, tenant compte de ce fait que le conseil de direction des Pêcheries irano-soviétiques a porté à la connaissance du gouvernement impérial l'inauguration de la société des Pêcheries irano-soviétiques par la lettre numéro 1 datée du 29 farvardine 1307, la date de l'expiration serait le 29 farvardine 1332 (19th April, 1953).

Pour empêcher toute divergence de vue entre les deux gouvernements, la désignation d'une de ces deux dates dépend de l'accord des parties contractantes; aussi, je vous prie de m'informer de votre avis à ce sujet.

Veuillez agréer, etc. . . ."

EP 1015/262G

No. 108

ACTIVITIES OF THE TUDEH PARTY

Mr. Middleton to Mr. Eden. (Received 15th October)

(No. 312 (s). Secret)

Tehran,
13th October, 1952.
Sir,
In continuation of my despatch No. 277 (s) of 8th September, I have the honour to send you the following report on the Tudeh Party's activities since that date.

2. Once again no major change in the direction of Tudeh policy and activities has been noticeable. The party appears still to be consolidating its position on the ground won in the riots of 21st July in preparation for a further advance. A sudden opportunity for such an advance, and perhaps even for a decisive victory, may of course come at any time (e.g., in the shape of a clumsily executed attempt by the army to take power), and the ability of the party to seize and exploit such an opportunity was demonstrated convincingly enough in the events of 21st July. It has been further demonstrated in a recent party instructional pamphlet in which the party's tactical performance in these events is analysed with a professional competence worthy of an European Communist Party with long revolutionary experience. This pamphlet confirms that the Tudeh was able to use its apparatus consciously and deliberately to guide the course of the riots. While it reveals a number of serious defects in the operation of the party machine, the very fact that these defects are recognised and designated for correction is impressive. It

is true that the Persian genius is expressed better in analysis than in action, but, none the less, the party can be expected to handle the next similar situation even more competently.

3. There is good reason to believe, however, that, barring fortuitous opportunities, the party is not planning to influence events by further violence on any large scale for some time, and that during this time it will continue to prepare the ground by sapping and mining. This would certainly be consistent with the Communist view that time is on the side of the Proletariat, and that a situation where decisive action entails a risk will sooner or later ripen into one where the party can take power almost unresisted. A Persian known to be connected closely with the party and who may himself be a senior member of it recently confirmed this impression in a private conversation. He said that the party did not expect to be capable of a final bid for power for another six months at the least. Undoubtedly the chief obstacle to such a bid remains the army, and the principal present object of the Tudeh must be to penetrate and weaken this further. The same Persian observed on this subject that the party's own estimate of penetration in the armed forces was at present 40 per cent. for the air force and 25 per cent. for the army. If this is true, it is interesting to note that the party does not apparently believe this proportion large

enough to make a bid for power possible. But the need to weaken the army does not necessarily imply that the party thinks any physical trial of strength with it inevitable. The person already quoted believed that the leaders of the Tudeh may hope to achieve their object by means similar to those used in Czechoslovakia in 1948.

4. A further reason for moving slowly may well be a fear of nationalist deviation within the party. The Persians are notoriously xenophobic, and might well be expected to be tempted by the sin of Titoism. The party or its Russian masters may feel that before it takes the decisive step from conspiracy to government, it should make sure of its purity by "strengthening cadres." In recent weeks there has in fact been a little evidence of Titoist thinking at a high level in the party.

5. There have been several indications that the party is now indeed moving more slowly and deliberately. Firstly, militancy has declined still further. Admittedly throughout the period here reviewed martial law has been in force in Tehran, and has made aggressive behaviour there very risky. But for whatever reason the party has certainly been taking a less violent line, in its instructions to members for instance, than in the first weeks following 21st July, and appears still to be very impressed with the civilian opposition it met on the streets during the short period of skirmishes in August when martial law was temporarily lifted. Another indication may be in the reduction of the size of party cells. At the beginning of the summer these were expanded from a strength of four members to eight. They are now again being reduced to four. In interpreting these changes we can only speculate, but it seems reasonable to suppose that cells are enlarged to improve operational control in periods of action, when security is subordinated to efficiency, and when the party emerges in visible form on the streets; and that they are contracted in quieter times when it is working entirely underground and may have to face attack by security action.

6. The activities of the party have followed the pattern established soon after the riots. Strenuous efforts to subvert and penetrate the army continue, and normal civilian cells are under instructions to proselytise among the military. A special

effort is at present being made to recruit n.c.os. There have been continuous and successful operations in industrial establishments through strike action. The latest examples have been strikes in the Kurus mill at Ray outside Tehran, and in the railway. The lock-out at the spinning mill at Semnan continues and is being exploited in party propaganda as an important battle in the class war. Efforts to capture the peasantry and, in the towns, to achieve a united front from below, continue also.

7. An interesting feature of propaganda has been a barrage of articles drawing attention to various alleged plots by Right-wing groups to carry out a *coup d'État*. Undoubtedly these articles are intended partly to deter anyone who may be planning a *coup*, but they may have a further purpose comparable to that pursued by Trotsky in 1917 in attempting to create a situation where the Communists, in making an offensive bid for power, would appear to be on the defensive against a threatening hostile force. In the present circumstances this tactic may have two possible objects: the one to prepare Tudeh followers to react immediately to any attempt at a *coup d'État* and the other, carrying matters further, deliberately to create the illusion of an impending *coup* when none exists, to provide the pretext for violent action by the Tudeh to "forestall" it.

8. There has been little effective security action against the Tudeh by the authorities beyond the normal repressive effect of martial law. Attempts to silence the Tudeh-controlled press by suppression of newspapers have so far been unsuccessful and have brought about the ludicrous situation whereby the newspapers concerned change their names almost daily, and so have to be suppressed again in a new guise. This has now happened so many times that the party has had to appeal to rank and file members of ordinary cells to acquire licences as concession holders for newspapers, to provide a reserve of names ready for brief use as the nominal concessionaires of ephemeral publications.

9. We are sending copies of this despatch to Her Majesty's Ambassadors at Moscow and Washington and to the head of British Middle East Office at Fayid.

I have, &c.

G. H. MIDDLETON.

EP 1015/266

No. 109

REPORT ON THE DETERIORATING POLITICAL SITUATION

Mr. Middleton to Mr. Ross. (Received October 16)

Tehran,

(Confidential) October 13, 1952.

This has been a week of suspense and uncertainty with all Persians anxiously awaiting our reply to Musaddiq's latest note. The main events have been reported separately; the following are, therefore, a few general observations:—

It is generally agreed among Persians that Musaddiq's position has weakened considerably since he was granted full powers. It is now becoming clear, even to the ignorant people, that Musaddiq is incapable of constructive action. He has remained in office through a combination of factors, namely, fear, the lack of an effective opponent and hope of an oil settlement. These factors no longer play as great a part as they did immediately after Qavam's fall. The voice of opposition was heard during Muharram from the preacher and Deputy, Rashid, and Vahidi, a member of the Fidayan-i-Islam, and there is no longer the extreme fear of expressing an opinion unfavourable to the Government that was apparent two months ago.

General Zahidi, whose supporters number such diverse elements as Ha'irizadeh, Baqa'i and the old Right-wing Opposition, has established himself as the only alternative Prime Minister in sight. His chances of success depend largely on the progress he makes in wooing Kashani. The latter is reported to be favourably disposed towards the general, whom he would like to use to further his own ends, but he is proceeding with caution. Musaddiq has to-day attempted to discredit Zahidi by associating him with an alleged "plot." I have reported this separately to Jim Bowker.

There is now a feeling of some pessimism about an oil settlement and if it becomes quite clear in the near future that Musaddiq is unable to achieve results, either with ourselves or the Americans, his already uncertain position will be seriously shaken.

Dr. Baqa'i resigned yesterday from leadership of the Toilers' Party (Hizb-i-Zahmatkishan). His resignation is said to be due to differences with Khalil Maliki, the organiser of the party since its inception, who is accused of forming groups in opposi-

tion to Dr. Baqa'i. This accusation was first made at meetings of the Toilers' Party more than two months ago when, after a tour in America, Baqa'i had discovered a plot, said to have been engineered by Maliki, to undermine his authority as leader of the party. At one of these meetings Maliki was accused by Dr. Baqa'i of dividing the party on an ideological basis, also of being in close contact with the British. On both these points Maliki defended himself by declaring that he had always opposed any suggestion of linking with the Tudeh, and that only in his decision to fight the Communists had he done anything which could be construed as helping the British. Maliki's ideology is best described as Titoist.

Relationships within the Toilers' Party were adversely affected by the open conflict between Baqa'i and Maliki as a result of which Baqa'i's popularity has declined to such an extent that he could not hope to retain the leadership while his opponent, a much more clever tactician, remained predominant with overwhelming support from the rank and file members of the party. Baqa'i's position having therefore become untenable, it is fairly certain that he had no alternative but to relinquish the leadership. Nevertheless Baqa'i's supporters are now trying to bring him back.

It is too early to forecast the political significance of Dr. Baqa'i's withdrawal from the Toilers' Party. Dr. Baqa'i himself has said that the members are now free to follow their own desires. This may result in the extremists deciding to transfer their allegiance to other crypto-Communist organisations, while others may continue to follow Baqa'i, whose future intentions cannot at present be anything but a matter of conjecture. In any case the split is bound to be unhelpful to Dr. Musaddiq and the National Front, for both Maliki and Baqa'i, despite their differences and conflicting personal ambitions, have both been loyal supporters of the present régime, although Baqa'i has recently been expressing in private considerable dissatisfaction with Musaddiq.

The general state of the country remains confused and disordered. There have been minor disturbances in various parts, but the

most important was the railway strike. This was a display of workers' solidarity protesting against failure to pay increments, and an appeal from Kashani was treated

roughly. The Government claims that the situation is now under control.

Yours, &c.

GEORGE MIDDLETON.

EP 1015/256

No. 110

ARREST OF PERSONS ALLEGED TO HAVE PLOTTED AGAINST THE STATE

Mr. Middleton to Mr. Eden. (Received October 13)

(No. 807)
(Telegraphic)

Tehran,
October 13, 1952.

As reports had been received concerning the activities of retired General Abdul Husain Hijaz and the brothers Rashidian (three men) in company with General Zahidi and several other people enjoying parliamentary immunity who had been plotting and inciting on behalf of a foreign embassy. The above named, who do not enjoy parliamentary immunity, were arrested this

morning by the military command and sent to the police prison.

It must be mentioned that from now on all people who cause provocation and confusion in the country or who are tools in the hands of foreign politics will be prosecuted according to the regulations and turned over to the Court of Justice so that their lawful punishment may be decided upon.

The Government is studying the question of people enjoying parliamentary immunity.

EP 1015/257

No. 111

ALLEGED PLOT AGAINST PERSIAN GOVERNMENT

Mr. Middleton to Mr. Eden. (Received October 14)

(No. 813. Secret)
(Telegraphic)

Tehran,
October 14, 1952.

Minister of Court informed my United States colleague this morning that Musaddiq has told the Shah that Asadullah Alam (1951 Personalities No. 8) must leave Persia at once otherwise he also will be arrested.

2. National Front newspaper *Siasat-I-Ma* has accused Ibrahim Khajeh-Nuri (1951 Personalities No. 103) of being liaison between British Embassy and plotters and has also accused Dr. Tahiri (1951 Personalities No. 185). Article states that agreements have been made with British Embassy for supplying money and arms.

3. It is not unlikely that this fabricated plot is being used by Musaddiq to prepare public opinion for severance of diplomatic relations with Britain as oil question does not perhaps provide sufficient excuse. Musaddiq has stated to Minister of Court

that he will submit our reply, when it is received, to the Majlis, and also that he cannot tolerate present interference of British officials in Persian affairs.

4. Musaddiq's "plot" appears to serve double purpose of discrediting his only apparently serious rival, General Zahidi, and working up popular feelings against British in his now familiar demagogic way. Musaddiq has always based his politics more on circuses than on bread, and he may be planning a particularly sensational performance to divert the attention of his discontented people from their own deplorable conditions.

5. Zahidi is angry at the false charges made against him and proposes answering them strongly by press statements and in the Senate. He feels that he has a good case, and he and his supporters are urging him to get his word in quickly, which he is fully prepared to do.

EP 15314/447

No. 112

OFFICIAL STATEMENT BY HER MAJESTY'S GOVERNMENT TO CLARIFY THE POSITION OF THE ANGLO-PERSIAN DISCUSSIONS OVER THE OIL DISPUTE

Statement issued by the Foreign Office on 15th October, 1952

In a note addressed to the Persian Government on 14th October, 1952, Her Majesty's Government have sought to make clear the meaning and purport of the joint proposals for a settlement of the oil dispute addressed to Dr. Musaddiq by the President of the United States and the Prime Minister of the United Kingdom on 30th August. They have also given their reasons for not accepting the counter-proposals which the Persian Government made on 24th September and repeated on 7th October.

2. In their communication of 24th September the Persian Government made a number of inaccurate statements regarding the policy of Her Majesty's Government and the conduct of the Anglo-Iranian Oil Company towards Persia. Her Majesty's Government, therefore, desire place the following facts on record.

3. Her Majesty's Government welcome any indication that, as is stated in the communication of 24th September, the Persian Government desire the development of friendly relations between the two countries. For their part Her Majesty's Government will endeavour by all means in their power to further such relations. They cannot, however, reconcile similar professions on the part of the Persian Government with the misrepresentations in Dr. Musaddiq's reply to the joint proposals and with observations on the so-called "imperialist" policy of Her Majesty's Government towards Persia. The Persian Government know full well that the maintenance of the independence and integrity of Persia has always been the aim of the policy of Her Majesty's Government, and that the fate of Persia in the 19th and 20th centuries would have been very different if British power and influence which Dr. Musaddiq brands as "imperialism" had not been thrown into the scale on her side. Memories are short, but the Persian people will at least not have forgotten the events of 1946.

4. It should also be generally known that when the United Kingdom and Persia were allies in the late war (which brought incomparably more hardship to the United Kingdom than to Persia) the United Kingdom sent considerable supplies, particularly of wheat, to Persia for the benefit of the

civilian population; that under an agreement concluded between the two Governments after the war Persia received from the United Kingdom £8.3 million sterling for the war-time use in the common cause of Persian communications by the British forces; and that Her Majesty's Government gave every possible support to plans for the development of the economic resources of Persia and for the betterment of the health and welfare of the Persian people. The steadily increasing revenues from the oil industry would have continued in growing measure to provide the means whereby those plans could have been realised. That this was not done as was hoped can not in any way be laid at the door of Her Majesty's Government, nor of the Anglo-Iranian Oil Company.

5. The Persian Government's professions are equally inconsistent with their actions, notably in closing the British Consulates in Persia contrary to treaty obligations and international courtesy, in refusing to receive as British Ambassador an officer who had previously served in Persia, in discriminating against the British Bank of Iran and the Middle East, and in expelling or refusing visas for British subjects resident in or wishing to visit Persia. It is not usual for a State in friendly relations with another State to conduct its diplomatic correspondence in the form of demands accompanied by a time-limit, nor is such a method of correspondence likely to further friendship between the peoples of the countries concerned. Her Majesty's Government wish also to refer briefly and in general terms to Dr. Musaddiq's remarks on the subject of the Anglo-Iranian Oil Company. In the first place the company is a British national and Her Majesty's Government must categorically deny that there is any impropriety, as alleged by Dr. Musaddiq, in their protecting the interests of one of their nationals by all means in their power in its attempt to secure satisfaction for the wrong done to it by the unilateral termination of the 1933 Concession Agreement. Further, they would wish to make clear that nothing in the judgment of the International Court (still less in the decision of the Security Council to take no action on the Persian

oil dispute so long as the case was pending before the Court) could possibly be construed as approving Persia's action or as condemning Her Majesty's Government for their support of the company. The Court's judgment showed, not that there was no dispute between Governments which could properly be referred to international adjudication, but that the terms of Persia's acceptance of the optional clause providing for the compulsory jurisdiction of the Court did not allow the Court to exercise jurisdiction in this case without Persia's specific consent, which was not forthcoming. Her Majesty's Government also reject the accusations made against the Anglo-Iranian Oil Company and deny that the company interfered improperly in the internal affairs of Persia or fettered the liberty of action of the Persian Government, or that the company failed to carry out their obligations under the agreements in question. These unjust charges have frequently been made before for political and propaganda reasons, and have equally been demonstrated to have no foundation in fact.

EP 15314/463

No. 113

FURTHER NOTE TO DR. MUSADDIQ OUTLINING THE INTENTIONS OF HER MAJESTY'S GOVERNMENT

Mr. Middleton to Mr. Eden. (Received October 23)

(No. 316. Unclassified) *Tehran,*
Sir, *October 18, 1952.*

With reference to your telegram No. 787 of the 13th October, 1952, I have the honour to send you herewith a copy of the Note which, on your instructions, I delivered to the Persian Prime Minister, Dr. Musaddiq, on the 14th October. As the Note is written in the third person, I delivered it under cover of a personal letter,⁽¹⁾ a copy of which I also enclose.

2. I have already reported Dr. Musaddiq's reception of the Note in my telegram No. 812 of the 14th October. He made a long broadcast speech on the 16th October in which he attacked the views and policy of Her Majesty's Government and spoke of severing diplomatic relations with the United Kingdom. I enclose copies⁽¹⁾ of this speech, a summary of which was contained in my telegram No. 828 of the 17th October.

3. I am sending copies of this despatch to Her Majesty's Ambassador at Washing-

6. Her Majesty's Government object strongly to the allegation that certain economic and financial measures which they have taken in the past and which are referred to in the joint proposals were intended to force Persia to submit to "unfair" terms and they deny entirely that the joint proposals amount to an admission of this accusation. Her Majesty's Government have repeatedly explained that certain exceptional facilities previously accorded to Persia in view of the benefit to the economy of the sterling area of the flow of Persian oil were no longer justified when oil ceased to flow. This simple fact derives directly from the action of the Persian Government.

7. In conclusion Her Majesty's Government continue to hope that a settlement of the oil dispute will be found in conformity with the rights and interests of the parties concerned. They firmly believe that such a settlement can be reached on the basis of their joint proposals of the 30th August with resultant benefits not only to Persia but to the whole free world.

ton and to the Head of the British Middle East Office at Fayid.

I have, &c.

G. H. MIDDLETON.

Enclosure in No. 113

*Text of Note dated 14th October from
Her Majesty's Government in the United
Kingdom*

Her Majesty's Government note with regret that in spite of the recent messages from Mr. Acheson on behalf of the President of the United States of America and from Mr. Eden on behalf of Her Majesty's Government in the United Kingdom correcting certain misunderstandings which appear to exist in the mind of the Persian Government as to the meaning of the joint proposals put forward on the 26th August, 1952, the Persian Government should still be unwilling to regard these proposals as an

⁽¹⁾ Not printed.

equitable basis for the solution of the oil dispute and should revert to the counter-proposal contained in the Persian Government's note of the 24th September, 1952. The Persian counter-proposal was not referred to in Mr. Eden's message of the 4th October, 1952, since that message was sent with the sole purpose of enabling the Persian Government to understand the joint proposals correctly, and in the hope that these proposals would be re-examined by the Persian Government in the spirit in which they were intended. But since the Persian Government now insist on putting forward their counter-proposal as the only basis for a settlement of the dispute, Her Majesty's Government feel obliged to state in some detail why this counter-proposal is unreasonable and unacceptable. Moreover, the terms in which the Persian Government now purport to describe the joint proposals show that the joint proposals are still not understood and make it necessary for Her Majesty's Government once more to place their views and intentions on record.

The Persian Government state in their counter-proposal that the question of claims by the Anglo-Iranian Oil Company and counter-claims by the Persian Government may be referred to the International Court of Justice provided agreement is previously reached on four conditions. They now invite the Company to send representatives to Tehran within seven days to discuss these conditions while at the same time they demand the partial fulfilment of one of the conditions even before the Company's representatives set out.

By the first and second of their conditions the Persian Government seek to limit the question of claims by the Anglo-Iranian Oil Company to the value of the company's property in Persia and expressly rule out all possibility of any claims on behalf of the Anglo-Iranian Oil Company relating to the period subsequent to the date of nationalisation. In the joint proposals Her Majesty's Government accepted the nationalisation of the Persian oil industry as a fact but in return claim just compensation on behalf of the Anglo-Iranian Oil Company, the question of such compensation being referred in its entirety to the impartial judgment of the highest judicial tribunal in the world. The International Court should be asked to consider all claims and counter-claims of both parties without limitation and to have regard to the legal position existing immediately prior to nationalisation.

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Her Majesty's Government would when presenting claims on behalf of the company, ask the court to consider what compensation was due, not for the mere loss of the company's installations in Persia, but for the unilateral termination of the 1933 Concession Agreement contrary to the explicit undertaking in the agreement that it would not be so terminated. As was made clear in Mr. Eden's message of the 4th October Her Majesty's Government did not seek to revive the Concession Agreement in other respects. Naturally it would be for the court to decide whether and to what extent a claim for compensation on the basis indicated above was justified and Her Majesty's Government would of course be bound by its decision. Her Majesty's Government could in no circumstances agree to debar themselves from raising such a claim before proceedings had even begun and as a condition for reference to the court as the Persian Government demand.

With regard to the third stipulation, Her Majesty's Government cannot admit that Persia has any claim against the Anglo-Iranian Oil Company in respect of Persia's failure to sell oil abroad. The Anglo-Iranian Oil Company have merely exercised their legal rights in regard to oil they regard as theirs, an attitude in which they have the full support of Her Majesty's Government, and they have declared their intention of defending those rights throughout the world.

The fourth stipulation refers to the payment in advance and on account of £49 million erroneously stated to be shown in the Anglo-Iranian Oil Company's balance sheet for 1950 as "due to Persia." The Persian Government now insist that of this sum £20 million should be paid within seven days. The Supplemental Oil Agreement as is well known was intended to modify the 1933 Concession Agreement in such a way as to entitle the Persian Government to considerable additional payments from the company. There would have been an increase in tonnage royalty and in the annual payments in respect of Persian taxation. In addition, by very considerably bringing forward the date of payment and by altering the method of assessing the amount of the payment in respect of the sum allocated to the general reserve, the Supplemental Agreement would have ensured to the Persian Government a greater and more certain and more immediate benefit in respect of the sum so allocated. The additional financial benefit to the

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Persian Government would have amounted to some £49 million up to the end of 1951 solely by reason of the terms of the Supplemental Agreement and not by those of the 1933 Agreement. It was a condition of the Supplemental Agreement that the 1933 Agreement revised in this manner should remain in full force and effect. Persia rejected the Supplemental Agreement and wrongfully terminated the 1933 Agreement. It is therefore clear that the sums are in no sense due to the Persian Government. Her Majesty's Government are thus being asked to agree, before a given date in the immediate future, that the Anglo-Iranian Oil Company should pay a fictitious debt of £49 million, nearly half of which is to be largely convertible into dollars (a demand not previously made by the Persian Government) in return for the company's abandoning its right to claim just compensation. Her Majesty's Government are not prepared to entertain this request.

As stated above, the Persian Government have in the first sentence of their note described the joint proposals in terms which suggest that misunderstandings still exist. Her Majesty's Government therefore wish to make it abundantly clear that—

- (i) Her Majesty's Government and the Anglo-Iranian Oil Company accept the nationalisation of the Persian oil industry as a fact, but in return Her Majesty's Government claim just compensation on behalf of the company.

- (ii) Her Majesty's Government consider that the question of compensation should be referred to the impartial adjudication of the International Court.
- (iii) Her Majesty's Government claim compensation on behalf of the Anglo-Iranian Oil Company for the unilateral termination of the 1933 Concession Agreement contrary to the explicit undertaking in the agreement that it will not be so terminated.
- (iv) Neither Her Majesty's Government nor the Anglo-Iranian Oil Company seek to revive the 1933 Concession Agreement in any other respect.
- (v) As soon as agreement is reached as to the terms on which the question of compensation is to be adjudicated, the Anglo-Iranian Oil Company will be ready to open negotiations as indicated in the joint proposals. As already stated, neither Her Majesty's Government nor the Anglo-Iranian Oil Company insist on the company's securing a monopoly of the purchase of Persian oil.
- (vi) Pending agreement as to the terms on which the question of compensation is to be adjudicated, Her Majesty's Government on their own behalf and on behalf of the Anglo-Iranian Oil Company reserve their full legal rights.

14th October, 1952.

EP 1053/30

No. 114

SEVERANCE OF DIPLOMATIC RELATIONS BY THE PERSIAN GOVERNMENT

The Persian Minister for Foreign Affairs to Mr. Middleton

(No. 4019) *Tehran,*
M. le Chargé d'Affaires, *October 22, 1952.*
I have the honour to inform you of the Imperial Persian Government's decision to sever diplomatic relations with Her Majesty's Government.

The Persian Government greatly regrets that it has been obliged to adopt such a decision. In the course of the dispute with the former oil company my Government always made every effort to ensure that this dispute should not damage the friendly relations between the two Governments. My Government is convinced that if the British Government had paid proper attention,

consistent with justice and friendship, to the aims of the Persian nation and Government who have only been seeking, and are still seeking, to secure their rights which had been infringed, the relations between the two countries would have never reached such a stage. It is regretted, however, that your Government not only refrained from helping to solve the dispute in this matter, which is vital for our nation, but also prevented an agreement by unlawfully supporting the former company. Moreover, some of the official representatives of the British Government, through intrigues and improper interference, created difficulties

aimed at disturbing this country's order and security.

The Imperial Persian Government hopes that Her Majesty's Government will realise the nature and the truth underlying the movement and the aspirations of the Persian nation and that they will revise their policy. Should such a favourable atmosphere and good understanding be created, the Persian Government, which has been always been interested in the existence

of good relations between the two Governments, will be very glad to take action to renew diplomatic relations.

In conclusion I wish to inform you that instructions have been given to the members of the Imperial Embassy staff in London to leave for Tehran within one week from 30th Mihr, 1331 (22nd October, 1952).

With sincere regards,
FATIMI.

No. 115

RUPTURE OF DIPLOMATIC RELATIONS BETWEEN PERSIA AND THE UNITED KINGDOM

Mr. Eden to Mr. Middleton (Tehran)

(No. 846) *Foreign Office,*
(Telegraphic) *October 22, 1952.*
B.B.C. will broadcast the following message, repeating it on the 23rd and 24th October:—

"In view of the Persian Government's decision to break off diplomatic relations between Persia and the United Kingdom, British nationals in Persia for whose protection the United Kingdom is responsible will shortly cease to enjoy direct British diplomatic and consular protection. As from the date of the departure from Tehran

of Her Majesty's Chargé d'Affaires, the protection of those interests for which the British Embassy has hitherto been responsible will be transferred to the diplomatic representative of another Power in Tehran. A further announcement will follow. British nationals affected by this circumstance may wish to consider the advisability of making arrangements to leave the country if they have no strong reason for staying. The decision in each case must, of course, be the responsibility of the individual concerned."

EP 1015/272

No. 116

INSPIRED ATTACKS ON THE SENATE BY THE SUPPORTERS OF DR. MUSADDIQ

Mr. Middleton to Mr. Eden. (Received October 22)

(No. 852. Confidential) *Tehran,*
(Telegraphic) *October 22, 1952.*
Persian Senate.

In his attempt to find new scapegoats Dr. Musaddiq has been encouraging his supporters to make violent attacks on the Senate. The Deputies Qanatabadi and Karimi on 19th October and Nariman yesterday made the most violent attacks upon the Senate in the course of their speeches in the Majlis. The Senate is attacked as being the last foothold of British imperialism and the enemy of the Persian nation and the national movement. These speeches are still to some extent provoked by the courageous attitude of certain

Senators recently and the fact that Zahadi draws much of his support from the Senate.

2. I am informed that Musaddiq has asked the Shah to dissolve the Senate, but that the Shah has resisted up to now. He is reported to have said that he might be prepared to dissolve both Houses but he would not dissolve the Senate alone. Several Senators have made efforts to strengthen the Shah and Hakimi has told him that if he were to dissolve the Senate he would be signing the monarchy's death warrant. The Shah appears to realise the dangerous position and in his own indirect way has been encouraging the Senators to oppose the Government. It is questionable,

however, whether he will be able to resist Musaddiq for long if the latter turns on the heat.

3. The Shah has told Senator Farrukh that he is opposed to a rupture of relations

but the British themselves want this, otherwise it could not happen. He also repeated to Farrukh the old thesis that the British were supporting Musaddiq.

EP 1931/34

No. 117

UNDERTAKING BY THE SWISS GOVERNMENT FOR THE PROTECTION OF BRITISH INTERESTS IN PERSIA FOLLOWING THE RUPTURE OF DIPLOMATIC RELATIONS

(1)

Mr. Middleton to M. Escher (The Swiss Legation)

Tehran,

October 22, 1952.

M. le Ministre,
I have the honour, on instructions from Her Britannic Majesty's Principal Secretary of State for Foreign Affairs, to ask you to be so good as to undertake, from the date of the rupture of diplomatic relations between Her Britannic Majesty in the United Kingdom and His Imperial Majesty

The Shahinshah of Persia, the protection in Persia of the persons, property and interests for whose protection Her Majesty's Ambassador at Tehran is normally responsible. I understand that the Government of the Swiss Confederation have expressed their agreement to your undertaking this charge.

Please accept, &c.

G. H. MIDDLETON.

EP 1531/34

(2)

Mr. Middleton to Dr. Fatimi

Tehran,

October 22, 1952.

M. le Ministre,
I have the honour to inform your Excellency that I have, on instructions from my Government, requested his Excellency the Minister of the Swiss Confederation at Tehran to undertake from the date of the rupture of diplomatic relations between Her Britannic Majesty in the United

Kingdom and His Imperial Majesty The Shahinshah of Persia the protection in Persia of the persons, property and interests for whose protection Her Britannic Majesty's Ambassador at Tehran is normally responsible.

I avail, &c.

G. H. MIDDLETON.

EP 1931/35

(3)

M. Escher to Mr. Middleton (Tehran)

Tehran,

October 22, 1952.

M. le Chargé d'Affaires,
I have the honour to acknowledge receipt of your letter of to-day's date by which you have asked me, on instructions from Her Britannic Majesty's Principal Secretary of State for Foreign Affairs, to undertake, from the date of the rupture of diplomatic relations between Her Britannic Majesty in the United Kingdom and His Imperial

Majesty The Shahinshah of Persia, the protection in Persia of the persons, property and interests for whose protection Her Majesty's Ambassador at Tehran is normally responsible.

The Swiss Government have expressed their agreement to my undertaking this charge, subject to approval of the Persian Government. The Persian Minister for Foreign Affairs, Dr. Hossein Fatemi, has

just informed me that the Imperial Government agrees to the Swiss Legation taking over the protection of the British interests in Persia, and I have pleasure in informing

you that I consider myself in charge of British interests as per to-day.

I avail, &c.

A. ESCHER.

EP 1931/17

No. 118

AGREEMENT BY THE SWEDISH GOVERNMENT TO THE SAFEGUARDING OF PERSIAN INTERESTS IN THE UNITED KINGDOM FOLLOWING THE RUPTURE OF DIPLOMATIC RELATIONS

M. Hägglöf to Mr. Eden. (Received October 28)

(No. 200)

Swedish Embassy,

October 24, 1952.

Sir,
Acting upon instructions received I have the honour to inform you that my Government have to agreed, at the request of the Persian Government, to undertake the safeguarding of Persian interests in the United Kingdom following the breach of diplomatic relations between Her Majesty's

Government in the United Kingdom and the Persian Government.

I should be grateful for a confirmation that Her Majesty's Government do not desire to raise any objection to this arrangement.

I have, &c.

GUNNAR HÄGGLÖF.

EP 15314/465

No. 119

DISCUSSION OF PROBABLE CASH PAYMENTS SHOULD PERSIA ACCEPT ARBITRATION

Mr. Eden to Mr. Middleton (Tehran)

(No. 4571. Confidential) *Foreign Office,*
(Telegraphic) October 25, 1952.

Nitze left for Washington last night, October 24th. You will be receiving the minutes of all our meetings.

2. Nitze was at pains to convince us that he had not come to seek our agreement to a particular set of proposals and that his object was to find out whether we saw any means of breaking the present deadlock. He put forward the idea in several variant forms that compensation for the A.I.O.C. should not be referred to arbitration but that the company should accept compensation in the form of an amount of oil to be agreed by direct negotiation with Musaddiq. We told him that we thought it most unwise for the United States and ourselves to give Persia any indication that there was an alternative to the joint proposals, and argued that his alternative idea was bad in principle, dangerous in its repercussions and impracticable. We could not therefore agree to any such idea being canvassed with the Persians. More particularly, we were strongly opposed to any particular figure for compensation being mentioned.

3. Nitze was sympathetic but doubtful whether the Persians could now accept the joint proposals, particularly as regards arbitration. We recognised this difficulty and tried to show how we hoped it might be overcome. We outlined to Nitze, for his information only and not for communication to the Persians until further notice, arguments tending to allay Persia's fear of arbitration. We also suggested that the most likely way of persuading the Persians to accept arbitration would be to tell them that there were prospects of immediate benefits on a substantial scale once they had accepted arbitration. With this in view we discussed in general terms various alternatives under which other customers besides the A.I.O.C. might take appreciable quantities of Persian oil at the outset. We were greatly encouraged by Nitze's intimation that the United States Government might be prepared to give Persia immediately a considerable sum of money as advance payment for products to be supplied to their armed forces under the Defence Materials Production Act. Such an advance as part of the implementation

of the joint proposals seemed a most hopeful development. He would like to work out plans with Nitze on this basis if he cared to come to London again. Nitze accepted this suggestion.

4. Nitze was initially disappointed at our unfavourable reception of his ideas, and at

first he accepted with some distaste our view that we must stand by the joint proposals. By the end, however, he seemed genuinely to agree not only that we ought to stand by the joint proposals but that there was now some hope of progress on that basis.

No. 120

MESSAGE OF THANKS TO OUR MISSION ON LEAVING PERSIA

Mr. Eden to Mr. Middleton (Tehran)

(No. 889) Foreign Office,
(Telegraphic) October 29, 1952.

As you are about to leave Persia I want to thank you and all members of the staff of Her Majesty's Embassy for the manner in which you have discharged your duties in the face of great difficulties. Your conduct of your mission has given full satisfaction to Her Majesty's Government and has been in accordance with the best traditions of Her Majesty's Foreign

Service. I know that you have been ably supported by your staff.

2. Will you particularly convey my thanks to the Persian members of your staff, many of whom have, I know, given years of devoted service to Her Majesty's Embassy.

3. Please also thank the Pakistan orderlies from me for their services as security guards.

EP 1931/17

No. 121

ACKNOWLEDGMENT BY HER MAJESTY'S GOVERNMENT OF THE UNDERTAKING BY THE SWEDISH GOVERNMENT TO SAFEGUARD PERSIAN INTERESTS IN THE UNITED KINGDOM

Mr. Eden to M. Häglöf

Foreign Office,
Your Excellency, November 3, 1952.

I have the honour to acknowledge the receipt of your Excellency's Note No. 200 of October 24, in which you were good enough to inform me that the Swedish Government had agreed, at the request of the Persian Government, to undertake the safeguarding of Persian interests following the breach of diplomatic relations between Her

Majesty's Government in the United Kingdom of Great Britain and Northern Ireland and the Persian Government.

In taking note of the contents of your Excellency's communication, I have the honour to say that Her Majesty's Government do not desire to raise any objection to the arrangement contemplated therein.

I have, &c.

ANTHONY EDEN.

EP 1532/349

No. 122

STATEMENT CONCERNING THE SO-CALLED BLOCKAGE OF PERSIAN OIL

Mr. Acheson to Mr. Eden. (Received November 10)

(Confidential) Washington,
November 5, 1952.

I want to revert to a problem which was raised some weeks ago with your Embassy and which was temporarily put aside at its urgent request. This is the increasing

problem regarding a statement by this Government of its attitude towards the so-called blockade of Persian oil.

You and I both know that the question arises out of a situation which is largely theoretical. The present tanker situation

is such that no substantial amounts of oil could be moved by such parties as have been interested in doing so regardless of any other consideration. However, it is increasingly likely that the question of this Government's attitude will be publicly put to it in such a manner that some answer must be given. The question may be put publicly here on behalf of those individuals who have been considering the purchase on individual and sporadic bases of Persian oil. It may also be put publicly by Musaddiq. Indeed, there are some rumours to this effect, of which we have informed your Embassy.

In answering such a question, we should hope to use the opportunity to bring people's minds back to the central problem and make it clear to them that small peripheral efforts are not going to solve the large central problem. We have no legal power to prevent any one from purchasing, if a person so desires. This Government cannot undertake to decide the legal questions involved in the Persian

dispute. We should, I think, state that we are not opposing these efforts in any clandestine way. To do otherwise would be to put ourselves in a false position at home and also to destroy any opportunity which might arise in the future for us to be helpful in reaching a solution of the main question.

These weeks seem to be full of occasions when actions which we believe we have to take cause irritation to our friends. I am earnestly hoping that should we have to take this action it could be done in such a way as not to cause misunderstanding.

After working over the matter for some time, the following is the best that I have been able to devise. The necessity for some statement may arise at any moment. I shall be particularly grateful for any suggestions which you might have as to how this could be dealt with in such a way as to minimise any implication of differences between us and so as to magnify the true fact that we are both working earnestly at the main problem, which is not affected by the particular point.

EP 15314/489

No. 123

RESUMPTION OF THE FLOW OF OIL FROM PERSIA AFTER ACCEPTANCE BY THE PERSIAN GOVERNMENT OF THE JOINT UNITED STATES/UNITED KINGDOM PROPOSALS OF AUGUST 30, 1952

Paper handed to United States Embassy on November 18, 1952

(Confidential)

(1) It is predicted that there will be three stages of development, i.e.:—

Stage I.—Inter-governmental discussions leading to an agreement for the assessment of compensation by arbitration by the International Court or other impartial person/body.

Stage II.—The agreement referred to under Stage I having been reached, then—

(a) Persia would be free to sell to anyone.

(b) The company (A.I.O.C.) would enter into commercial negotiations with Persia in an endeavour to make an interim agreement for the purchase of Persian oil during the period running until the arbitration award is announced. It is contemplated that the agreement would be made by a 100 per cent. subsidiary of the company referred to below as "export company."

(c) It seems that D.M.P.A. would be prepared to lift oil and to advance considerable sums of money against contracted quantities. It is not clear whether they would be prepared, as we should hope, to do this through export company, or would do so direct. The quantities involved might vary between 1 and 3½ million tons per annum.

Stage III.—Following the announcement of the arbitration award, longer-term arrangements would be made by the company with Persia to replace the interim agreement and to give effect to the arbitration award. The award could be discharged in the form of "compensation oil" over a period when it is assumed that the company would, in addition to receiving "compensation oil," be purchasing oil.

(2) The purpose of this note is to give a general review of the ground to be covered in the commercial negotiations between the

company and Persia for the interim agreement (referred to under Stage II (b) above).

There are two important matters, beyond the scope of normal commercial negotiations for the purchase of oil, on which agreement should be reached with Persia. These are:—

- (a) It would be essential that Persia should agree not to interfere with any tankers sent to Persian ports for export company's loadings, nor with any craft which export company might agree to make available to assist in the handling of tankers. This point might conveniently be covered by an exchange of letters between Governments if it proves impracticable to deal with it in the arbitration agreement.
- (b) It would be most desirable that Persia should undertake that a proportion of the revenue accruing from all sales of oil during the period of arbitration shall be paid into a neutral account, to be held against the arbitration award.

These two points should preferably be dealt with between Governments or with some kind of governmental cover and, if possible, before the commercial negotiations begin. In any case, the commercial negotiations could not be concluded until a satisfactory understanding on them had been reached.

(3) It will have been noted that a fundamental feature of Stage II is that Persia would be free to sell oil to all comers. Persia, therefore, may be negotiating with other potential buyers at the same time as the negotiations with the company are proceeding. The references in this note to possible terms and conditions of the contract to be made by the company relate solely to the oil with which the company would be concerned; the terms to be obtained by other buyers from Persia would be matters for them to negotiate themselves. The company's position would be that it can materially assist towards the desired objective of achieving exports from Persia on a substantial scale provided that satisfactory terms can be arranged, and, of course, export company would be free to dispose of the oil it acquires to anyone—including possibly D.M.P.A. (see paragraph II (c) above).

(4) The commercial negotiations will call for a flexible approach; it is neither practicable nor advisable to attempt in advance to specify too much. The fundamental points are those relating to quantities,

prices and payment, but agreement would also need to be reached on other considerations (see paragraph (8) below) which must be covered in any normal commercial contract.

Quantities

(5) The quantitative commitment which export company could undertake and the speed of the build-up from the stage of the initial liftings depend—apart from the price factor—on practical questions such as what quantities will be available, and the conditions in the port.

Assuming that a satisfactory price basis can be evolved, that a good range of products would be available to satisfactory specifications, and that port conditions are satisfactory, it is contemplated that export company's offtake (excluding any possible D.M.P.A. tonnages) might be developed within a year up to a rate of 7½ million tons per annum of products (or more in favourable circumstances) or, say, 10 million tons, allowing also for crude oil.

Price

(6) There are the basic considerations that the arrangements must be such as not to risk creating undesirable repercussions in the adjoining areas, and that they should be so framed as not to inhibit the transition later on to the longer-term arrangements, which would follow in Stage III. Still consistent with the observance of these basic considerations there is room for variety of method in reaching a satisfactory result.

It is eminently desirable that pricing formulae should be as simple as possible and that the agreement should include provision for export company to be given the benefit of any lower prices which Persia might quote to others.

In the case of crude oil, it is felt that the aim should be a straight discount off the Persian Gulf posted price.

In the case of products, the matter could be developed on either of two methods, both of which were regarded as open for negotiation:—

- (i) a discount off the United States Gulf posted price for individual products (Platt's "low") together with provision for a freight absorption element; or
- (ii) the crude oil price, together with a charge for refining to give an agreed yield of products.

Both in the case of crude and in the case of products arrangement should include provision for the payment of a proportion of the purchase price into a neutral account, as mentioned in paragraph 2. Such provision is most desirable as a matter of principle (as referred to in paragraph 2 (b)) and also in relation to the need to avoid the appearance of disparity in other areas.

There is also the question of the price to be paid for the oil in stock, which falls for separate consideration as the costs of producing it have already been borne by the company. There could be a flat rate of payment per ton for all products (at a rate approximating to the Government rate in adjacent areas) or, alternatively, payment could be made at varying rates per ton for the several products at a percentage of the Platt's Low value. There is, however, the possibility that the claim will be made that the oil in stock be regarded as an asset belonging to the A.I.O.C. and, therefore, included in their claim for arbitration; if regarded in this way it would not call for separate treatment.

Payment

(7) It is contemplated that provisional payment would be made on telegraphic advice of the quantities loaded, cargo by cargo, thus ensuring the flow of revenue to Persia as the oil is shipped. The provisional payments would be subject to adjustment when the full details of the cargo are available.

It is contemplated that export company would pay in sterling; arrangements in

respect of convertibility would be a matter for inter-governmental settlement.

Other Considerations

(8) There are certain practical considerations, relevant to how soon shipments could begin, which will need to be cleared. It will be appreciated that many of these considerations will concern not only export company but also other purchasers.

Ships could not be sent to load until it has been ascertained by appropriate expert inspection that tankers can be safely berthed, that the necessary depth of water is available at the jetties (it is not known to what extent silting may have taken place) and that all other facilities for the safe handling of ships are available. A shipping agency service (which might be established by some independent firm) will need to be constituted, and consideration will have to be given to such matters as shore accommodation for ships' crews.

Arrangements will need to be made for the certification of the quality and quantity of supplies loaded; it would seem advisable, in the interests both of supplier and lifter, that an independent inspection service should be appointed to do this work. It will, in particular, be necessary to establish the quality of oil in stock from which the initial liftings would be supplied. Assurance that the oil to be shipped is of a satisfactory marketable specification is clearly essential as regards both the supplies to be drawn from the initial stocks and those to come from subsequent production.

EP 1536/99

No. 124

VIEWS ON THE PERSIAN SITUATION AS EXPRESSED BY MR. ACHESON TO THE SECRETARY OF STATE

*Aide-Mémoire communicated by United States Government on
November 23, 1952. (Received November 28)*

Washington,

November 23, 1952.

The following general views on the Persian situation were expressed by Mr. Acheson to Mr. Eden in a brief meeting held in New York on the evening of November 20:—

We have passed through many crises in the Persian situation with our British friends, each of which has seen the situation grow steadily worse but never to the point

of collapse. We believe in the present period, although it may be relatively calm in outward appearance, we are soon to face a new crisis which in all probability will be determinative.

There is at the moment in Persia a feeling of some hope and expectation that somehow or other the United States will produce something new to assist in the solution of the Persian oil problem. If this hope is frustrated by no progress, it is our view that within a very short period Persia will also

turn against the United States—and probably with the same end result of a complete break in relations. Should this happen for all practical purposes Persia's ties with the West would be broken. It does not follow automatically that the Tudeh Party or its stooges would come immediately into power. It probably would mean, however, that the point of no return had been passed in the Iranian situation and that there would remain nothing that the United States and United Kingdom, in concert or individually, could do to save the situation.

There is every chance, in the present state of high emotion in Persia, that we may expect quite unpredictable and irrational moves on their part. We know that preparation is under way to discharge thousands of Government employees and Army personnel. The resultant dissatisfaction of this group can only serve to make matters worse. There is reason to believe that additional important members of the National Front may shortly move into the Cabinet with either the Majlis dissolved or rendered impotent.

For the past eighteen months the United States has utilised its greatest efforts in attempting to put forth ideas which could lead to a mutually acceptable solution. The last such effort resulted in the ideas which Mr. Nitze recently discussed with British representatives in London. The United States believes that these discussions were helpful and that progress has been made within recent weeks.

The United States is studying with great care the plan produced by the British within the past week. In spite of the progress that has been made, we do not feel that this plan meets the present situation. We believe that arrangements under Phase 2 would have to hold real inducement to the Persians to arrive at a satisfactory agreement upon the question of compensation in phase one. We do not see that the present British plan holds such inducement. This plan speaks of lifting from Abadan in the neighbourhood of 7 to 10 million tons per annum. It seems clear that this is an inadequate movement of oil to meet the Persian economical and financial situation. If we consider that part of the payments to Persia would have to be set aside for compensation and to meet advances on part of the United States Government, it is clear that remaining funds available to Persia would indeed be inadequate. It has been our feeling that a minimum of 20 million

tons per annum must be reached reasonably promptly in order to effect a solution.

As it appears that A.I.O.C. may find itself unable to move but a portion of the Persian oil which clearly must be moved, it may be that arrangements will have to be made by the United States Government to meet the remainder of the problem. We are working urgently to determine what type of arrangements could be made by United States companies and would like to discuss these arrangements with the British at the earliest possible date.

The United States also cannot believe that there isn't some other method of moving forward on the question of compensation. We have not given up the possibility that Musaddiq might be induced to put forward a satisfactory lump-sum settlement offer. There may even be variations of this idea. An example might be found among practices of the United States Government during the two world wars. The United States in obtaining private property for Government use set what it believed to be a fair value on the property taken. The owner was notified of this amount and informed that he could collect the full amount in full settlement of his claim at his option. If the owner did not agree that the amount specified by the United States Government was a fair value, he could challenge that evaluation and carry his case through legal proceedings. In such a case, the United States Government notified the previous owner that he could collect at will three-quarters of the total amount, leaving the remainder to be settled at the final determination of the property value. At any time the owner could exercise the option of claiming the remainder of the amount originally specified by the United States Government or continue to debate the matter through negotiation or legal proceedings.

We believe that a new and more vigorous effort is required on the part of both Governments, and we will be quite prepared to send representatives to London, or to receive their representatives here, if this would facilitate matters. For its part, the United States now has approval at the highest level to make available the sum discussed by Mr. Nitze in London.

The feeling that some move on the part of the West is necessary in the Persian situation is growing steadily within all interested departments within our Government. We feel it of utmost importance that some move be made with the Persians prior to or at the time of Loy Henderson's return

to Tehran which should take place within two or three weeks. For our part, it remains our firm hope that a solution can be found by the British or certainly that one can be found that will be fully acceptable to the British. In the event that this proves to be impossible, it is not believed that the United States Government can afford to remain idle while the Persian

problem drifts into a steadily worse situation. We would in any event always consult with the British and strive for the solution which would be most acceptable to them. In the last analysis, however, the United States Government may have no alternative but to move forward in a manner best designed in its opinion to save Persia.

No. 125

OBSERVATION BY THE SECRETARY OF STATE ON THE UNITED STATES DECLARATION REGARDING THE MARKETING OF PERSIAN OIL

Sir G. Jebb to Mr. Eden. (Received November 24)

(No. 888. Confidential) *New York, November 24, 1952.*
(Telegraphic)

Following from Secretary of State:—

"No doubt the State Department understand that I bear no responsibility for their statement. It is a unilateral American statement. When I was shown it in advance, I suggested several amendments, some of which were accepted and some of which were not. I do not want it said, nor

suggested, that I have given the statement as a whole my approval. Please bear this in mind if questioned.

If you think there is any doubt about this in the State Department's mind, I shall be grateful if you will make this clear to them."

[This refers to Mr. Acheson's letter of November 5 and the statement eventually issued on December 6.]

XS 14/34/11 (52)

No. 126

CLOSURE OF HER MAJESTY'S EMBASSY AT TEHRAN

Mr. Middleton to Mr. Eden

Foreign Office, November 27, 1952.
Sir,

I have in brief telegrams kept you informed of the principal administrative arrangements made for the closure of Her Majesty's Embassy at Tehran and the departure of the United Kingdom-based staff. I now have the honour to give you a summary of these arrangements and the way in which the main problems were handled.

2. For more than four weeks before the Persian Government delivered their note of the 22nd October plans had been made for closing the embassy if diplomatic relations were severed, and the Swiss Government had accepted Her Majesty's Government's request to act as protecting Power. In the ten days' notice which the Persians, after some hesitation, allowed us, the work to be done fell into two main classes: winding-up the several embassy offices and handing them over to the Swiss representative on a care-and-maintenance basis, and arranging

the orderly withdrawal of my staff with their property.

3. To close down within ten days a mission which has, as far as I am aware, functioned continuously for nearly 100 years, is a considerable undertaking and it is I fear inevitable that there will remain various administrative and accounting problems outstanding for some time to come. But I am convinced that my staff could have done no more than they did, and I must seek your indulgence for errors or omissions attributable to the short time at their disposal and the impossibility of consulting your department on any but major issues.

4. The embassy account for the quarter ended the 30th September, 1952, was completed before we left, and was sent by air bag from Bagdad. The account for the period 1st October to 29th October remains to be completed, and the necessary material has arrived in London, where it is being worked on. On the 29th October the

embassy cash and bank accounts were handed over to representative of the Swiss Legation, and a receipt for cash and a bank statement obtained. This section of the work threw a great strain on the administrative staff, and the accountant, Miss E. Nagel, who under the supervision of Her Majesty's Consul (when he could be spared from other duties) coped with it as well as could be expected from a B.6 officer with no previous grounding in accounting work. Not only did it include advancing money to or receiving refunds from staff on account of salary, and packing expenses, but it involved paying-off and settling the gratuities of a large number of locally-engaged staff. Some among the local staff had of necessity to be retained in order to ensure, under the control of the Swiss, the continuation of certain essential services. Thus, besides the local staff of the Ministry of Works, the Pakistani orderlies remained to ensure security, the "katkhoda" to supervise the complicated water-canal system of the two embassy compounds, two telephone operators to serve the Swiss representatives living and working in the town compound, certain "farrashes" to do cleaning, and certain locally-engaged clerks of the Consular Section whose continued services were indispensable to the Swiss Legation. For some of these there was time to obtain your sanction in advance; the justification for and details of the others are being communicated to the appropriate department by Her Majesty's Consul.

5. The disposal of the archives presented a problem. There was a large quantity dating back to 1921; little or no weeding seems to have been done in the past; and there appeared to be practical difficulties in the way of meeting our request, made earlier in the year, that they should be sent home for safe keeping. Given the Persian's disregard of the usual diplomatic immunities and their interest in securing material which might give some apparent justification for their allegations of British "interference," I thought it inadvisable that the archives should be stored in the embassy, even under Swiss protection, or that they should be moved over Persian roads at a time of strained relations. We were, however, reluctant to destroy material that might have considerable historical value. A solution was happily found in the willingness of my American colleague to accept safe custody of the archives for onward forwarding under his own aegis. Neverthe-

less the work of packing and crating (in eighty crates) these archives was a formidable and disheartening task, into which the newly-arrived archivist, Mr. A. Constant, threw himself with the greatest zeal and efficiency. Thanks to his wearisome and unremitting labours the last crates were delivered to the American Embassy at noon on the eve of our departure. A brief summary of the contents of these crates is contained in the last packet of confidential mail sent to London through the American Embassy. Included among these crates were the four unusable R/T sets recently received.

6. In accordance with your instructions valuable office machinery such as typewriters, duplicators, &c., was packed ready for despatch and should have left Tehran by Levant Express shortly after us.

7. Parallel with this work went the task of packing and crating the personal property of about fifty householders and of making travel arrangements for some 100 souls. The wives and children, most of the women officers and a few of the men left by air during the last week and, with few exceptions, waited at Beirut for the remaining staff. You had agreed to my proposal that the hard core of the embassy should leave by road convoy; this had the advantages that we were able to drive out all the embassy transport (except three vehicles left for the use of the Swiss) and some private cars, and to take with us not only our hand luggage but also all the crated luggage of both air and road parties. The Levant Express Company co-operated by providing seven 14-ton trucks, which we kept under close supervision as part of the convoy all the way to Beirut. The road convoy was made up of twenty-nine embassy and private vehicles, seven trucks, thirty-four members of the embassy, including my wife and six lady members of the staff, ten local drivers and the Reverend Father Mulligan, a Roman Catholic priest of British nationality who had long been threatened with expulsion.

8. To move this assemblage some 500 miles to the Persian frontier was a task requiring much planning and preparation, especially as the route included several high passes and there was no feasible accommodation along the way for so large a party. The convoy was under the operational control of my military attaché⁽¹⁾; he led the advance-guard, which included the cooking material and tentage. The main party

followed, comprising the passenger and load-carrying vehicles. A rear-guard under my air attaché included a truck with spare parts and an American break-down van which General Zimmerman of the United States Military Mission kindly sent with us as far as the Jordan frontier.

9. The convoy moved out of Tehran in the grey light of dawn on the 1st November. The United States Ambassador and some of the staff called on me at that early hour to take a stirrup-cup with us, and the Under-Secretary of the Persian Ministry of Foreign Affairs, Mr. Miftah, accompanied by the Chief of Protocol, came to say goodbye. The convoy formed up at a rendezvous beyond Karaj, some 35 miles along the road, and here we took final leave of our many colleagues and compatriots who had come to wish us well. We also had breakfast there in the warmth of the early morning sun. Soon after 8 o'clock our column of thirty vehicles moved off and fell into its convoy discipline.

10. The Swiss Minister, M. Alfred Escher, had very kindly elected to accompany us to the frontier; and several hours later our party received another welcome addition in the person of his English-born wife who overtook us. A member of the Protocol Department, Mr. Abbas Nayari, travelled with us and was unremittingly helpful and courteous. A Persian colonel and two lorry loads of troops were less welcome additions.

11. Our first night's camp was pitched in an open plain about 30 miles short of Hamadan. The advance party had gone ahead to select the bivouac area, and by the time the main party arrived had erected two small tents for the women, a large tent for the men, and cook-house and latrine tents. More important, the amateur cooks, under the competent direction of Miss Elizabeth Parsons, had ready for us a steaming mug of tea, followed shortly by a simple but appetising hot meal based on corned beef. Throughout the cook-house served us well; in evidence I may mention that the only complaint I heard voiced was that on one occasion the custard was burnt. The scene, illuminated by a full moon, was impressive; our vehicles formed three sides of a square, within which a neat tented encampment had in a few hours sprung up under the direction of the assistant military attaché; and inside the big tent a concert party entertained our Swiss guests to the strains of a guitar. Despite a strong and cold wind, we slept well from 10 p.m. to 4 a.m., some on campbeds, other wrapped in blankets lying on

the ground amid the camel thorn. With minor variations the second night was passed similarly in camp 12 miles beyond Kermanshah.

12. On the third day we arrived at the frontier, where the formalities were completed without undue delay and with a surprising degree of comparative efficiency on the part of the Persians. Here we said goodbye to M. and Mme. Escher and to Mr. Nayari: the former returned to spend the night at our second camp which had been left standing. At the Iraqi frontier Her Majesty's Consul from Bagdad greeted us, together with the Qaimmaqam of Khanaqin; the Iraqi officials, not unexpectedly, surpassed the Persians in the courtesy and efficiency with which they sped us on our way. The nearby depot of the Khanaqin Oil Company was, most kindly, prepared with food, beds and transport facilities to give us any aid that might be required. Fortunately, we needed none but the last, leaving with them one car to have a shock-absorber welded.

13. The party, in smaller groups, reached Bagdad after nightfall, and were met with the greatest hospitality by Her Majesty's Ambassador and Lady Troutbeck. Members of the embassy kindly accommodated us and on the following day the manifold administrative problems were solved with great efficiency through the untiring efforts of Mr. T. E. Bromley and his Administration Officer, Mr. Spencer. Ten vehicles left the convoy at Bagdad, as did eight members of the staff; one Tehran Embassy truck joined us there, and two of our local Tehran drivers.

14. The majority of our party spent the next two nights at Habbaniya, where the Officer Commanding, Royal Air Force, Iraq, accommodated us in the transit mess and very kindly provided repair and maintenance facilities for our transport, petrol, food and medical stores. I am most grateful to Air Vice-Marshal J. Hawtrey and to the Station Commander, Group Captain R. A. T. Stowell, for their assistance.

15. After these two days' welcome rest we set off on the second three-day lap, following the oil pipe-line road to Mafrag and thence to Beirut via Damascus. The good and level road, though uninteresting and fatiguing, provided few problems for our vehicles, and overnight accommodation was made available at H.3 and Mafrag through the good offices of the Iraq Petroleum Company. I cannot speak too highly of the kindness and hospitality which we received from Mr. and Mrs. McIver at

⁽¹⁾ The Military Attaché's report (not printed) is available at XS 14/34/11 (52).

H.3 and Mr. Littledale, the general manager, who met us at Mafrag.

16. The third day was one of frontiers and long drawn-out formalities. But thanks to the efforts made by Her Majesty's Embassies at Amman, Damascus and Beirut with the local authorities no difficulties were encountered, in spite of the diverse nature of the personnel and the vehicles (unprovided with the usual documents) of which our convoy consisted. Mr. Rees from the Damascus Embassy kindly escorted us across Syria and we were met at the Lebanese frontier by Mr. Kendall from Beirut, where, as usual, we found the most complete arrangements had been made for our reception. The ladies and husbands drove out to Sidon where the air parties had spent the previous week or ten days in a large hotel beside the sea, and the remainder were booked in Beirut hotels.

17. So ended the first stage of our withdrawal from Tehran. With further subtractions, the staff completed their journey on the 12th November in the s.s. *Champollion* to Marseilles, whence they travelled by train to the United Kingdom. The official Tehran transport was handed over to the embassy in Beirut, and the heavy luggage, after resorting, was safely stowed in the same ship as the staff. A heavy

administrative load was thrown on Her Majesty's Embassy at Beirut in making arrangements for our accommodation and onward travel, and we are all grateful to Mr. Barnes, the head of the Chancery, and to Mr. Kendall for the kindness and efficiency with which they handled our manifold problems.

18. To sum up, I must confess to being a little surprised that this unusual enterprise of moving the embassy nearly 1,500 miles by road encountered so few difficulties, either by mechanical breakdown, ill-health, or from the formalities attending the crossing of five frontiers. It would have been impracticable but for the great assistance given us *en route* by Her Majesty's Missions, the Royal Air Force and the Iraq Petroleum Company. I think it can be said that the staff and the official transport were moved in the most economical manner, thanks in part to those members of my staff who themselves drove passenger and load-carrying vehicles for long hours over tiring and often difficult roads. The Persians at least were impressed by the manner of our leaving and by the efficient and comprehensive caravanserais which we amateurs set up in the midst of their deserts.

I have, &c.

G. H. MIDDLETON.

No. 127

DISCUSSION BY UNITED STATES OIL COMPANIES OF THE PURCHASE OF A QUANTITY OF PERSIAN OIL

Sir C. Steel to Mr. Eden. (Received December 4)

(No. 2195. Secret) Washington,
(Telegraphic) December 3, 1952.
Persian oil.

Petroleum Attaché learns from President of Asiatic (Wilkinson) that Mr. Acheson has invited representatives of five major American oil companies to meet him on Thursday, 4th December, to discuss possibility of United States companies agreeing to purchase 200,000 barrels of Persian oil per day (on the assumption that the Anglo-Iranian Oil Company would take a similar quantity). This scheme had already been put to them by Nitze (paragraph 2 of my telegram under reference), but according to Wilkinson, it is unlikely that any of the companies will agree to participate unless Her Majesty's Government as well as Anglo-Iranian and Shell (the latter because

of their interest in Middle East oil and concessions) are prepared to back the proposals.

2. Representatives of three of the companies have given Wilkinson personal assurances that this will be their attitude. Jersey may even refuse to participate unless adequate compensation arrangements for A.I.O.C. are made.

3. The Petroleum Attaché understands that the United States companies dislike the scheme generally because of its possible effects on other oil concessions. But if Her Majesty's Government and the British companies agree to it, and if the State Department urges the American companies to purchase this oil in order to "save Persia from communism," they will probably feel obliged to comply.

EP 15314/503 G

No. 128

CONVERSATION BETWEEN THE SECRETARY OF STATE AND GENERAL EISENHOWER ON 20th NOVEMBER, 1952

The Persian Problem

Mr. Eden to Sir C. Steele (Washington)

(No. 1466. Secret) Foreign Office,
Sir, December 4, 1952.

In the course of my discussion with General Eisenhower on 20th November, the General said he wanted to speak to me about Persia. He knew that we took a dim view of Mr. Alton Jones, who had recently been to Persia, but he was a personal friend of General Eisenhower's and he could assure me that he was also a friend of Britain. He would not have gone to Persia if he had not been encouraged to do so by the President. He had wished to return via the United Kingdom but was discouraged from doing so by the State Department.

2. General Eisenhower asked me what the chances were of making any progress with this problem in the next sixty days. I said that I saw little chance. The Truman-Churchill proposals seemed to me just and fair. I did not consider that there was any important variant of them which could be put forward at this stage. We had always to remember in negotiating with Persia that a bad agreement could be worse for us all at this stage than no agreement. The truth was that our interest in finding a solution of the Persian problem was not now mainly a desire to get the oil flowing for our own economic reasons but rather to sustain the economic life of Persia. General Eisenhower accepted this but said that he thought our conditions for arbitration were rather stiff. He asked me whether it would not be possible to phrase the matters which were to go to arbitration

in some less formidable way. I gathered that this had been the suggestion of Mr. Alton Jones. I replied that it was essential to maintain our legal position not only on account of the present dispute but with an eye to the future. I was very doubtful whether any modification would really have any effect on Musaddiq. If that had been his position he could always have suggested the modifications himself.

3. General Eisenhower seemed only partly convinced by this and repeated his hope that we might look at the terms of arbitration again. He asked whether there was anything else that could be done. I said that I was diffident in suggesting it, but that if the United States Government themselves were willing to increase their "ante" this might have a certain effect on the Persians, though of course we should want the arrangement worked out with us. General Eisenhower did not seem at all surprised at this suggestion and he may well have already had it in mind.

4. We concluded this part of our discussion rather dolefully, by the General repeating "Then you don't think there is anything that can be done in the next sixty days?" and my saying that I feared not. But I should expect that the President-elect will want to make a further effort to try and find a solution to the Persian problem once he is in power. I am equally sure that he would not wish to do anything to our detriment.

I am, &c.

ANTHONY EDEN.

EP 1532/402 A

No. 129

TEXT OF STATEMENT ISSUED ON DECEMBER 6, 1952, BY THE UNITED STATES STATE DEPARTMENT (COMMUNICATED BY THE UNITED STATES EMBASSY) CONCERNING THE PURCHASE OF OIL BY AMERICAN FIRMS

(Received December 9)

Washington,
December 6, 1952.

Questions have been raised regarding the present attitude of the United States Government towards the purchase of oil from Persia by American nationals or American

firms. It would seem advisable at this time to clarify the Department's position on this matter.

Prior to the passing of the oil nationalisation law in Persia, some 32 million tons or approximately 240 million barrels of oil and

refined products were produced in that country and marketed per year. The gross income on royalties, taxes and wages received by Persia exceeded \$100 million. As will be recognised at once, this constituted a vast commercial operation engaging the world's largest fleet of tankers and required the services of an enormous distributing and marketing organisation. Ever since the oil ceased to flow and the refinery at Abadan was shut down, the United States has made every effort to assist in resolving the differences between the parties to this dispute. The United States wished to see as rapidly as possible the resumption of Persia's revenue. Also in the interests of the entire free world, the United States wished to minimise the dislocation of a great industry and avoid the attendant waste in manpower and monetary resources.

Since the passing of the oil nationalisation law in Persia the Anglo-Iranian Oil Company has turned to other sources for its supplies, and, in the absence of an overall settlement, facilities of the A.I.O.C. have not been available to move the market oil from Persia. The question of moving relatively small quantities of oil or oil products has seemed to us as of minor importance in comparison with the necessity to find some solution which could

drive to the heart of the matter and result in resumption of large-scale movement of Persian oil. Thus we believe that the relatively small amount of oil which could be moved without the assistance of large tanker fleets and distribution and marketing organisation will not solve the problem nor enable Persia to benefit from significant revenues from its great resources. Indeed, on occasions it has seemed to us more likely than not that such shipments with the attendant legal complexities involved could be harmful to a general settlement of the major problem.

Under present circumstances, this Government believes that the decision whether or not such purchases of oil from Persia should be made must be left to such individuals or firms as may be considering them, and to be determined upon their own judgment. The legal risks involved are matters to be resolved by the individuals or firms concerned.

The Department of State will continue to address itself to the main problem which is the resolution of the dispute so that the essential international principle of adequate and effective compensation may be given effect and Persia may again benefit from the large-scale resumption of its oil production.

No. 130

DISCUSSION BY THE UNITED STATES OIL COMPANIES CONCERNING THE FORMATION OF A REFINING COMPANY FOR PERSIAN OIL

Sir C. Steel to Mr. Eden. (Received December 7)

(No. 2245. Secret) Washington,
(Telegraphic) December 7, 1952.

Petroleum Attaché learns from company sources that current discussion between Acheson and the five major United States oil companies cover, in addition to points mentioned in my telegram No. 2195, question of refining company. It appears that the oil companies have been asked to consider the formation of a non-profit-making production and refining organisation

and provide the technicians required. So far, it is understood, the companies have refused to consider accepting any financial obligations of this kind and the World Bank has been suggested as a possible source of the initial finance.

2. On both production and sales sides, the companies are apparently also insisting that the present Administration's proposals should be endorsed by the new Administration.

EP 1532/407

No. 131

PURCHASE FROM PERSIA OF ANGLO-IRANIAN OIL

Extract from House of Commons Debates—December 8, 1952

Mr. Vane: To ask the Secretary of State for Foreign Affairs whether he will make a further statement with regard to the purchase of Anglo-Iranian oil from Persia.

Mr. Eden: My Hon. Friend will have seen a statement issued by the United States Government on this subject. It stresses the desirability of a general settlement of the Persian oil dispute and emphasises that small sales of oil from Persia cannot help towards such a settlement. It draws attention to the risks involved in such transactions.

With regard to these risks, as the Prime Minister stated in the House on July 23, and has again been made clear by Her Majesty's Government in their Note to the Persian Government of October 14, Her Majesty's Government continue to regard

products of the oil industry in South Persia as the property of the Anglo-Iranian Oil Company. That note and the communication sent to the Persian Prime Minister on October 5, were intended to make it clear that acceptance by Her Majesty's Government of the fact of nationalisation was bound up with the acceptance by the Persian Government of the proposals put to them.

As was pointed out both in the note from Her Majesty's Government to the Persian Government of October 14, and also in my statement to this House on the following day, Her Majesty's Government, on their own behalf and on the behalf of the Anglo-Iranian Oil Company, reserve their full legal rights pending agreement on the terms on which compensation is to be adjudicated.

EP 15314/512

No. 132

AIDE-MÉMOIRE ON THE PURCHASE OF PERSIAN OIL HANDED TO SIR P. DIXON BY MR. PAUL NITZE ON DECEMBER 14

Sir O. Harvey to Mr. Eden. (Received December 14)

(No. 625) Paris,
(Telegraphic) December 14, 1952.

I.—Background of our discussions with United States majors

(1) We were concerned that an off-take of 10 million tons as contemplated by the British paper would not be enough:—

- (a) as an inducement to the settlement of compensation;
- (b) to meet Persia's economic problems; and
- (c) permit the negotiation with N.I.O.C. of adequate protective provisions with respect to the sale of the remainder of Persia's oil.

(2) If an off-take of say 20 million tons were necessary to a solution of the Persian question and A.I.O.C. were not in a position to handle so large an off-take by itself, the question arose as to whether other companies operating in the area could help. Discussions with the United States majors confirmed that they all considered their

present sources of supply in the Middle East to be adequate and would only want to purchase Persian oil if it were necessary to a solution. They felt that if they were asked to co-operate, Shell and possibly the French Company should also be asked to co-operate, and that if cut-backs in other Middle East production should be necessary, Kuwait should bear most of the burden.

(3) In London, Nitze discussed with Dixon and other members of the oil committee and also with A.I.O.C. two technical problems. One related to the type of provision which might be necessary in a contract between A.I.O.C. and N.I.O.C. to protect by a most-favoured-nation type of clause the relationship between discount and volume. The other question related to the terms on which A.I.O.C. might resell to others oil which it could not itself market. It may be advisable to work out arrangements under which representatives of A.I.O.C., the United States majors, together with representatives of the

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United States and United Kingdom Governments might meet together to work out more detailed proposals with respect to phase two. This might take some time.

II.—Line which Henderson might take on his return to Persia

(4) We believe it necessary that Henderson return to Persia within the next week or ten days. We believe we have gone as far as we can usefully go in clarifying what might be within the realm of the possible from our standpoint and that of the British without further clarification of what might be possible in Persia. We think it might be advisable for Henderson to take approximately the following line in talking with Musaddiq:

(5) The United States has clarified its position with respect to the so-called oil blockade and the possible movement of small quantities by United States independents. The United States does not believe any substantial quantity of oil can or will be moved by independents. The United States believes that a substantial movement of oil will only be possible if a settlement of the compensation issue can be worked out on terms which are acceptable both to Persia and to the United Kingdom. If the compensations issue can be gotten out of the way, we believe that two things will be possible:—

- (a) A large and immediate advance to Persia against future oil deliveries. The United States Government would be the source of the funds but it could be so arranged that the advance was made by A.I.O.C. or a subsidiary thereof.
- (b) That arrangements could be made for a movement on commercial terms of substantial quantities of oil as rapidly as production could be restored in Persia.

(6) On compensation, Henderson would urge on Musaddiq acceptance of the principle of arbitration either by the World Court or some other arbitral body. He would refer to Musaddiq's previous statement that the court would be free to follow

the principles contained in the nationalisation laws of any other country in the light of the law under which coal nationalisation took place in the United Kingdom. He would take the position that the conditions to arbitration which Musaddiq has laid down could not be accepted.

(7) If it appears to be impossible to get Musaddiq to accept the principle of arbitration without conditions, then Henderson would explore with Musaddiq the possibility of a lump sum settlement. He would make it clear that the British have never acceded to, or expressed a willingness to consider, this type of solution but that if Musaddiq were to come forward himself with an adequate offer, we would be prepared to take it up with the British.

III.—Possible economic assistance to Persia

(8) In the event Henderson is unable to make any progress with Musaddiq on compensation, the United States feels that it may be wise to buy a certain amount of time and to endeavour to improve the political climate in Persia for an eventual settlement by making limited economic assistance available to Persia unrelated to a settlement of the oil issue.

(9) We understand that Mr. Gutt has submitted to Musaddiq a programme involving revised and increased taxes and a reform of their foreign exchange procedures, which should in itself go a substantial way toward alleviating the current budget deficit of Persia. We understand that Mr. Gutt believes that with a loan of \$30 to \$50 million to the Bank Melli, the remainder of Persia's budgetary deficit for a period of twelve to fifteen months might be met.

(10) Should Henderson's efforts to persuade Musaddiq to agree to a proper settlement of the compensation issue fail, it would be our intention to make economic assistance of this type available to Persia and we would hope that the British Government would co-operate by helping the British public to understand that this is in furtherance of our common purposes and does not run counter to the obtaining of a proper oil settlement.

PROPOSED CREDIT FOR PERSIA FROM THE EXPORT-IMPORT BANK

Sir C. Steel to Mr. Eden. (Received December 19)

(No. 2318. Secret) *Washington, December 18, 1952.*
(Telegraphic)

Nitze told us on December 18th that, since returning to Washington, he had learnt of the following new development which had not been known to him while he was in London and Paris. You will recall that the Export-Import Bank some time ago agreed in principle to open a line of credit for Persia, but that this was subsequently put in abeyance. Recently Musaddiq asked that this proposal should be reconsidered. The State Department have now told the Export-Import Bank that they, for their part, have no objection to the credit being made available and have asked the bank to reconsider the matter. The bank will do so on December 22nd. If approved the credit would be for \$25 million. Mr. Henderson would be instructed to inform Musaddiq immediately and this information would no doubt become public knowledge at the same time. The credit would be made available for specific economic development projects, approved from time to time by the bank. These would probably be mainly connected with agriculture. No ready money would pass to the Persian Government.

2. The State Department felt that if this decision were taken, it would have a most beneficial effect on the frame of mind of Musaddiq and the Persian Government in showing them that there was some help to be obtained from the West. They thought this would improve the climate of opinion for considering an oil settlement. They realised that we might not like it and that we might have difficulty with public opinion in the United Kingdom. They very much hoped that you would be able to present the decision in such a way as to minimise this opposition and suggested that it was, in fact, no more than an addition to the Point Four programmes which are currently being applied in Persia and which have, for instance, amounted to \$24 million last year and \$20 million this year. We said we thought you would be disturbed at this proposal. It was true that a credit of this kind would not help the Persians in their immediate budgetary and economic difficulties but the announcement of it would have an important political and psychological effect and would convince the Persians that there was always more help coming from the United States and they, therefore, need not make a serious attempt to reach an oil settlement.

CONCERN AT THE PROPOSED ISSUE BY MR. ACHESON OF A CREDIT TO PERSIA

Sir O. Harvey to Mr. Eden. (Received December 19)

(No. 645. Secret) *Paris, December 19, 1952.*
(Telegraphic)

I am greatly disturbed at this development which is entirely contrary to the plan which I agreed only four days ago with Mr. Acheson in Paris. Under this plan, the two-stage proposals were to be tried out, after which we would both look at the position again and economic and financial help, if any, apart from the plan, would only then be considered.

2. Please speak in strongest terms in this sense to the State Department. The issue of this credit a few days after I had seen Mr. Acheson and discussed the whole matter with him would place a very severe strain on Anglo-American relations, since I would have to confess that I had not been told anything about it during those discussions.

3. I have spoken in this sense to the United States Ambassador this morning.

DECISION BY MR. ACHESON NOT TO PROCEED WITH THE BANK CREDIT PROPOSAL

Mr. Eden to Sir O. Franks (Washington)

(No. 5301. Secret) Foreign Office,
(Telegraphic) December 20, 1952.

Thank you for the vigorous way in which you argued with the State Department. Please tell Mr. Acheson that I am grateful to him for his decision not to proceed with the bank credit proposal. I felt confident that he would readily see what a bad effect announcement would inevitably have had on our relations so soon after our conversations in Paris. You may also tell him

that I shall shortly be communicating to him the strong views which my colleagues and I hold against abandoning the principle of arbitration in favour of providing compensation through a lump sum settlement.

2. I assume there is no question of the bank proposal coming up again without our being consulted. If you think there is any doubt about this, I leave it to you to clinch the matter in whatever way you think fit.

UNITED KINGDOM OPPOSITION TO MR. ACHESON'S SUGGESTION OF A "LUMP SUM" SETTLEMENT ON COMPENSATION

Mr. Eden to Sir O. Franks (Washington)

(No. 5300. Secret) Foreign Office,
(Telegraphic) December 20, 1952.

My colleagues and I have carefully considered Mr. Acheson's suggestion of a "lump sum" settlement on compensation. We are strongly opposed to this idea for the following reasons:—

- (i) The essence of the Truman-Churchill proposals was the prior acceptance of the principle of compensation awarded through impartial arbitration. Thus by substituting the idea of a settlement by a "lump sum" we should at one blow abandon the Joint Proposals and capitulate to Dr. Musaddiq. The effect would be to encourage other oil countries to follow Persia's example in breaking their concession contracts. It would undoubtedly create a situation of restlessness in the Middle East which it is in our joint interests to avoid.
- (ii) To settle compensation without resort to impartial arbitration would leave us no firm ground for negotiations with the Persians. Once the idea of a "lump sum" settlement was mooted, this would start a process of extravagant Persian counter-claims and pressure to make progressive concessions on the amount of the lump sum for the sake of a quick

settlement. Acceptance of a derisory sum would have the same sort of effects in the Middle East as described above.

- (iii) It is possible though very unlikely that the Persians could be brought to offer a lump sum which was larger than the amount likely to be awarded to us by impartial arbitration. But the principle of impartial arbitration has enormous advantage from the points of view both of British public opinion and of safeguarding our concessions in other foreign countries. From these points of view it would be greatly preferable for us to submit to the award of a smaller sum imposed by impartial arbitration rather than to agree voluntarily to accept a larger but still inadequate sum as a result of direct negotiations with the Persians.

2. In confirming to Mr. Acheson that the views which I expressed to him on this subject are strongly upheld by my colleagues you may draw on the arguments in the foregoing paragraph. You could also remind Mr. Acheson that, when drawing up the Joint Proposals, the Prime Minister asked that it should be agreed between the United States and British Governments,

and kept for the record, that the International Court of Justice should be the tribunal on compensation (my telegram No. 3519 of the 25th August). Mr. Truman agreed to this (your telegram No. 1621 of the 25th August). We were subsequently prepared to consider the possibility of other forms of impartial adjudication than the International Court, but the principle of such impartial adjudication on which the Joint Proposals were founded must, in our view, remain inviolate.

3. As regards the particular figure suggested by Mr. Acheson you should say that, since Her Majesty's Government remain convinced that the question of compensation should be settled by impartial arbitration, they are not prepared to put

forward any figure as representing what they would regard as "adequate" compensation nor to comment on the figures recently mentioned by Mr. Acheson to me. You should make it clear that this absence of comment should not (repeat not) be taken as implying that Her Majesty's Government could, in any circumstances, accept as adequate the figures suggested.

4. You should also place it on record, in writing, that we have not agreed that Mr. Henderson should give any hint to Dr. Musaddiq about a lump sum settlement and that we disapprove of any suggestion that a lump sum settlement should be mooted with the Persians from the American side during the forthcoming exchanges.

TENTATIVE OFFER BY DR. MUSADDIQ TO SUBMIT THE QUESTION OF COMPENSATION TO ARBITRATION BY THE INTERNATIONAL COURT

Aide-Mémoire communicated by the United States Embassy on December 30, 1952

[EXTRACTS]

After a long and difficult conversation with Ambassador Henderson on December 25, Musaddiq tentatively offered to submit the question of compensation to arbitration by the International Court provided that the determination of the amount of compensation due should be based on any law carried out by any country for nationalising any of its industries which might be agreed to by A.I.O.C. Henderson did not at any time suggest any method other than arbitration for settling the compensation question. He outlined plans for Phase 2 for the movement of oil, including possible participation of American companies to lift a quantity necessary to bring the total to a satisfactory level, which, he said, we thought would be in the neighbourhood of 20 million tons. He made clear that the companies would be reluctant, since all the majors had adequate oil resources and would face financial and political problems if they bought oil from Persia, but he believed that they would co-operate if a settlement were reached on compensation and satisfactory commercial terms were agreed upon. He discussed tentative United States plans for advancing funds to meet current Persian budgetary and development needs provided that an

oil settlement is reached, saying that the United States is tentatively prepared to buy oil and products to a value of approximately \$100 million. Payment could be made immediately and the oil delivered to the United States Government over a period of years.

Musaddiq suggested that the United States Government should buy oil at once without awaiting settlement, saying that this would create an atmosphere conducive to a settlement. He added with great emotion that if the United States could not aid Persia until an oil settlement is reached, the Persian situation was desperate. He did not believe that the British wanted a settlement, but instead would find pretext after pretext to postpone it. He thought the British Government was conspiring to overthrow the present Persian Government. In the light of Ambassador Henderson's exposition, he must immediately inform the Persian people that they could expect help from no Western source and must look only to themselves to prevent national bankruptcy and to preserve Persia's independence.

Ambassador Henderson replied that the United States Government could not possibly buy Persian oil until the matter of compensation had been disposed of.

United States public would consider that to do so would be pursuing a policy of undermining the sanctity of international contracts. Furthermore, it would be impossible to obtain the necessary co-operation of the United States and international business community. The department was convinced that the British Government, as well as the Persian Government, desired an early settlement. Instead of hesitating because of suspicions of British good faith, Musaddiq should concentrate on the compensation question.

Musaddiq said he considered it useless to search for a further formula regarding terms of reference in the matter of arbitration. He had already made a number of suggestions which for one reason or another had not been acceptable to the British. He referred to his past statements offering to settle compensation on terms no less liberal to A.I.O.C. than those on which compensation had been given to owners of property nationalised in other countries. Ambassador Henderson pointed out that these offers all seemed to have strings attached, notably that they referred only to compensation for loss of physical property. As a matter of principle, the British could not accept terms of reference which limited compensation to the loss which resulted from confiscation of the physical property in Persia. The position of the British on this was backed by virtually the entire business world.

Musaddiq insisted that he had not intended to attach strings. In any case, he was still prepared to refer to the International Court for arbitration the matter of determination of the amount of compensation owed by Persia to A.I.O.C., due regard being given to Persian counter-claims. The only terms of reference would

be that the International Court, in determining the amount of compensation due, should base itself on any law carried out by any country for nationalising its industries which might be agreed to by A.I.O.C.

Ambassador Henderson asked if in making this offer Musaddiq realised that the British Coal Industry Nationalisation Act had provided for compensation for loss of future profits. Musaddiq replied that if British law provided for compensation for loss of future profits and if the International Court should decide to use that law as a basis for determining the amount of compensation due, he would not object.

Musaddiq added he would agree to such terms of reference provided the United States would simultaneously make arrangements to purchase Persian oil to the amount of \$100 million and would make this amount at once available to the Persian Government. The purchase could be made through any company which the United States Government might designate and would be f.o.b. Persian ports. The price could be fixed on the basis of the Gulf price less such discounts as the United States Government might consider appropriate.

Ambassador Henderson said he did not know whether this offer would be considered a satisfactory basis for United States action, but that he would transmit it to Washington. Musaddiq reiterated his belief that the British Government would reject it. Instead of prompt acceptance, there would be protracted negotiations and premature publicity which would make his position difficult. He said time was of the essence; he could not hold this offer open indefinitely.

He said that he was not sure whether the British Government would accept the offer, but that he was sure that the British Government would not accept the offer unless it was accompanied by a simultaneous offer from the United States to purchase Persian oil to the amount of \$100 million and to make this amount at once available to the Persian Government.

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CHAPTER II

PERSIAN MONTHLY POLITICAL REPORTS

EP 1013/3

No. 138

PERSIA: MONTHLY REPORT FOR DECEMBER 1951

Sir F. Shepherd to Mr. Eden. (Received January 16)

(No. 12. Confidential) *Tehran,*
Sir, *January 11, 1952.*

With reference to Mr. Middleton's despatch No. 333 of 9th December, 1951, I have the honour to send you herewith a summary of events in Persia during the month of December 1951.

General

2. No progress was made this month towards a settlement of the oil dispute. On the contrary the ten days' ultimatum regarding the sale of Persian oil to buyers other than the Anglo-Iranian Oil Company's original customers, and the cool reception given by Dr. Musaddiq and some of his leading supporters to the International Bank's proposals for restarting the oil industry revealed no desire to compromise on the Persian side. Internally the month saw a heightening of political tension and a considerable increase in public disorders which were in part the result of the slowly unfolding preparations for the coming national elections. The Opposition showed a new and more vigorous unity in their increasingly bold attacks on the Government. On 22nd December the long awaited National Loan was launched by Dr. Musaddiq but, in spite of his appeals to the people's patriotism and Kashani's assertion that it was the religious duty of all to contribute, by the end of the month it was clear that whether because of lack of confidence in the Government or simply from lack of money the first issue of 500 million rials was only slowly being taken up.

Oil

3. At the first meeting for two months of the Mixed Oil Commission two of the Senators on the commission, Messrs. Najm and Sururi, resigned and persisted in their decision in spite of Dr. Musaddiq's personal intervention. Although they gave as the reason for their resignation their inability to do two jobs at once, Mr. Najm informed the press also that to safeguard the future of the oil industry it was necessary that it

should be properly administered and that the economic situation of the country should be reformed. A few days earlier, engineer Bazargan, a member of the provisional board of directors of the National Iranian Oil Company, had published a sobering article in the press emphasising the need for foreign help because of the complexity of the oil industry and the need of foreign markets.

4. On 12th December, Dr. Musaddiq took a further step in his campaign to exclude the A.I.O.C. from any participation in the Persian oil industry by sending a note to all foreign Governments represented in Tehran informing them that, if they were former customers of the A.I.O.C., they should within ten days of the receipt of this notice submit their offers to buy under article 7 of the nine-article Nationalisation Law, otherwise they would forgo their prior claim upon the Persian oil, which thereafter would be sold to any customer offering to buy. Having allowed the full ten days to elapse, this embassy acknowledged receipt of the note stating that, as the case against the Persian Government was still before the Hague Court and as no agreement with the Persian Government existed for the operation of the oil industry, His Majesty's Government could not agree to the purchase of Persian oil by British nationals and did not recognise the Persian Government's legal right to dispose of it. In fact, although it was reliably reported that the Polish, Czechoslovak and Yugoslav Governments had made tentative offers for Persian oil, no sales had taken place by the end of the month.

5. On the same day that he informed the Majlis of his decision about the sale of oil, Dr. Musaddiq also mentioned that an approach had been made to him in Washington by the International Bank for the settlement of the oil dispute, but that, although he had shown interest in this proposal, he had insisted that it must conform with the nine-article law and had required some guarantee about the price to

be paid for the oil, which the deputy director of the bank had not then been able to give. These qualifications were later underlined and extended by Dr. Fatimi, the official Government spokesman, who stated: "It is not a question of the control of the oil industry by this organisation but of the investment of capital for the recommencement of exploitation." Engineer Hasibi and Dr. Shavigan of the Mixed Oil Commission added that the nationalisation laws expressly provided that the exploitation of the oil industry must be undertaken by the Persian Government and not by any foreign organisation, and that only financial aid would be acceptable from the International Bank. The Opposition press made full use of this issue as a stick with which to beat the Government, alleging that by means of the International Bank Dr. Musaddiq intended to reimpose British rule on the oil industry in contravention of the nine-article law. When, on 31st December, Messrs. Rieber and Prudhom, the International Bank representatives, arrived in Tehran, they made it quite clear in their first press statement that they had come to Persia to make technical enquiries only and not to submit proposals and negotiate a settlement.

6. It was reported early in the month that the Persian Government had asked for extra time for the submission to The Hague Court of its statement about the oil dispute. The object of this statement, it was announced, would be merely to prove the Court's incompetence. Dr. Musaddiq also let it be known that he might himself go to The Hague, his object doubtless being to enable him to stand forth once again as the defender of Persia's rights against the foreigner.

7. Operations at Abadan appear to have been negligible during the month and it was reported that Bench 70 had been closed down. Towards the end of the month, most of the members of the Mixed Oil Commission together with Mr. Makki visited Abadan to investigate reports of the worsening conditions there and, as they stated, to make the necessary arrangements for increased production to meet foreign demands for oil when they arrived.

Internal Political Affairs

(a) General

8. On 6th December there occurred in Tehran the most violent disorders since the riots of 15th July. The Tudeh-sponsored Student's Organisation in Tehran University had announced a demonstration of protest against the expulsion of a number of uni-

versity students for Communist activities and against the heavy-handed treatment of unruly schoolgirls in recent demonstrations. The police authorities banned the demonstration and with some difficulty prevented an organised procession setting off from the university. However, several hundred students managed to evade the police cordons and made their way in small groups to the Majlis Square. The behaviour of the police towards the children was in fact both brutal and ineffective. At about the time when the children reached the Majlis Square gangs of toughs employed by Dr. Baqai's Toiler's Party took a hand in proceedings and ransacked the offices of the Tudeh and of the non-Communist Opposition press and set fire to the House of Peace. It was noteworthy that whilst this organised hooliganism was taking place the police held the ring for the toughs. The Government claimed that the only fatal casualty was one senior police officer, but the minimum independent estimate of eight killed and over one hundred wounded is probably much nearer the truth.

(b) Parliamentary

9. An immediate result of these disorders was the decision taken by a number of newspaper editors and parliamentary Deputies to seek sanctuary in the Majlis, on the grounds that their lives were no longer safe in the streets while the Government and police protected cut-throats and law-breakers. This action marked the beginning of a sharp decline in the Government's prestige and the strengthening of the Opposition Deputies and press, whom from that day maintained an attack on Dr. Musaddiq and his Government unequalled in violence since his advent to power. On 11th December, for example, the leading Opposition Deputies openly abused Dr. Musaddiq in the Chamber and were, for the first time, wildly applauded by the galleries which had been packed with their supporters. The Opposition Deputies were also strengthened by their knowledge that the Majlis debates were now being directly broadcast and that they were therefore addressing a national audience. It was now the turn of the Government's supporters to absent themselves from the Majlis to ensure that there was no quorum and that the Opposition Deputies could not therefore attack the Government. This obstruction appeared as if it was going to bring about a complete deadlock in parliamentary affairs after an Opposition Deputy had attacked

Kashani personally and had refused to retract his statements. An arrangement was, however, finally reached enabling the Majlis to meet again when the Opposition profited from the occasion to table an interpellation of the Government on the grounds that they were:

- (i) breaking the laws of the country;
- (ii) depriving the people of their liberty and security;
- (iii) pursuing a bad economic policy, and
- (iv) not showing due respect to the Chamber.

By the end of the month it had not been decided when the Government should reply to these accusations.

(c) Elections

10. A major cause of the prevailing political unrest and uncertainty was undoubtedly the imminence of the elections for the 17th Majlis. Widespread disorders were feared and, in fact, occurred in several constituencies. Many Deputies felt that they would lose their seats and, in spite of all Dr. Musaddiq's assurances, widely believed and expressed the view that, as hitherto, the elections would be managed by the existing Government to secure the return of their own supporters. Although it is questionable whether these elections will be more free than usual, it is certain that Dr. Musaddiq's friends have astutely prepared the ground to ensure the return of a strong contingent of his supporters. In his eve of election broadcast speech, on 17th December, he defined the main election issue as a choice between patriotism and support of the foreigner, urging the people to vote "for those patriots whose lives had been involved in the struggle against the influence of foreigners." Also by arranging for the transfer to new posts of all Governors, senior officials and police officers for the period of the elections, Dr. Musaddiq, although providing a possible safeguard against corruption, has at the same time, whether intentionally or accidentally, seriously weakened the forces of law and order, and has increased the feeling of insecurity, thus favouring extremist candidates. The Tudeh Party, in their election manifesto, which was published in a Tehran newspaper, showed that they intended to make the maximum use of the elections. Their object appeared to be two-fold: to take advantage of the opportunity of the political stir caused by the elections to

propagate their policies of anti-imperialism and social reform and to secure wider support for them, and to secure the election of those candidates who support their aims. It was significant that one of the cover organisations, the Society for the Struggle Against Imperialist Oil Companies, declared at a mass meeting in Tehran that they would take part in the elections and, by securing a number of seats, bring Persia closer to the "peace-loving popular democracies."

11. By the end of the month, preparations for the elections had begun in Tehran and the northern provinces although no voting had yet taken place and the date of commencement of the voting had not been announced.

(d) Miscellaneous

12. Dr. Musaddiq's Cabinet underwent considerable changes at the beginning of the month as a result of which only two of his colleagues, the Minister for Foreign Affairs and the Minister of Communications retained their original portfolios. The object of the shuffle appeared to be an attempt to strengthen the Cabinet before the elections.

13. The Shah again gave no indication of any desire to play an independent and active rôle in the Government of his country. On the contrary, Mr. Ala, the Minister of Court, was reported to have informed the American Ambassador that Dr. Musaddiq was exerting pressure on the Court, having informed the Shah that he would resign if the Queen Mother did not discontinue her intrigues with the Opposition Deputies. As a result the Queen Mother had to become rather more discreet in her support of the Opposition.

14. The departure on 31st December of the aged Qavam-us-Saltaneh for medical treatment in Switzerland removed for the time being the most likely candidate for the succession to Dr. Musaddiq, but his departure was not without advantages for the Opposition.

15. An indication of the Government's increasing intolerance of adverse criticism was given by the expulsion of the correspondents of the *New York Times* and Reuters on the baseless grounds that they had been guilty of tendentious reporting. Both correspondents were given only forty-eight hours to leave the country; although Reuters correspondent had been in Persia for ten years. The Government refused to modify their order against the Reuters correspondent in spite of this embassy's strong protest.

Economic and Financial

16. The long-awaited National Loan was launched on 22nd December by Dr. Musaddiq in a broadcast speech which was given the support of Kashani a few days later. After a good start to which the Shah contributed 1 million rials and Dr. Musaddiq 250,000 rials the sale of bonds has proceeded slowly. By the end of the month only about 20 million rials of the first issue of 500 million rials had been taken up in spite of alleged pressure on potential subscribers.

Government salary and wage payments for November had been completed by mid-December, the delay being less than in early 1951. These payments were made without drawing on the International Monetary Fund dollars, the first instalment of which became available at the beginning of the month. The Government had, however, drawn all the note cover sterling and very little of the rial proceeds were left by the end of December. Steps were at last taken to curtail imports drastically and to limit them to essentials. This action will probably give some impetus to rising price trends which became rather more marked and the subject of more vocal complaint. Unemployment also increased but not alarmingly.

17. The American Point-Four programme of technical assistance suffered a severe loss in the death of its chief Dr. Bennett and his assistant in an air crash in the mountains near Tehran on 22nd December. Mr. Warne the Director of the programme for Persia, had arrived in Tehran some weeks earlier. It became evident by the middle of December that the extension—and even the continuance—of United States economic and military aid to Persia was running into serious difficulties. The American Ambassador had several interviews with the Prime Minister who was reluctant to give the assurances under the Mutual Security Act from countries benefiting from it. Apart from being averse to entering into any political commitments towards the United States, Dr. Musaddiq no doubt hoped that his delaying tactics might induce the Americans to provide financial help in cash, not in kind. Negotiations were still in progress at the end of the month. Meanwhile Point-Four experts continued to arrive and a large headquarters was set up in a former Tehran hospital.

Foreign Affairs

18. The Persian Government announced that the Persian Ambassadors in London, Rome and New Delhi had been recalled, that the Persian Diplomatic Mission in Indonesia would be closed and Persian interests there supervised from New Delhi, and that similarly Persian interests in Hungary and Ethiopia would henceforth be supervised by the Persian representatives in Prague and Jedda respectively. It was also stated that twenty-two other diplomats had been recalled. The official reason given for these developments was a desire to economise in the expenditure of foreign exchange, but there can be little doubt also that the opportunity is being taken to purge the service of diplomats unsympathetic to the present régime.

19. A further indication of the Persian Government's solidarity with Egypt in its present conflict with Britain was given when the Council of Ministers approved a proposal recognising King Farouk as King of Egypt and the Sudan.

20. The negotiations for the renewal of the 1950 Soviet-Persian Trade Protocol, which technically expired on 10th November, made no progress although there were one or two more or less informal meetings. Goods continued to move in both directions although on a rather smaller scale than a few months ago. According to one usually reliable source no new transactions were being concluded, but I have so far not been able to confirm this. The financial negotiations between the two countries remained in suspense and there was little prospect of their being resumed in the foreseeable future.

21. I am sending a copy of this despatch to His Majesty's Ambassadors at Washington, Moscow and Bagdad; to Air Headquarters, Iraq, through His Majesty's Embassy at Bagdad; to the Commander-in-Chief, East Indies, and the Senior Naval Officer in the Persian Gulf; to the Political Resident in the Persian Gulf; to the United Kingdom High Commissioners at New Delhi and Karachi; to the Head of the British Middle East Office, Cairo; and to all His Majesty's Consular Officers in Persia.

I have, &c.

F. M. SHEPHERD.

PERSIA: MONTHLY REPORT FOR JANUARY 1952

Mr. Middleton to Mr. Eden. (Received February 20)

(No. 49. Confidential) *Tehran, February 13, 1952.*

With reference to Sir Francis Shepherd's despatch No. 12 of 11th January I have the honour to send you herewith a summary of events in Persia during the month of January 1952.

General

2. The International Bank mission made their proposed tour of inspection of the oil areas despite an initially discouraging reception by Dr. Musaddiq. They returned to the United States on 13th January and no fresh move by the Bank had been reported by the end of the month. Parliamentary government came to a standstill during the month as the Government instructed its supporters not to attend the Majlis after an attempt by the Opposition to set up a supervisory committee for the elections throughout the country. The interpellation of the Government has thus remained unanswered. Elections have taken place in various parts of Northern Persia, and in Tehran polling was completed in the three days, 22nd-24th January; but the counting of votes had only just begun by the end of the month. The Persian Government sent to this Embassy on 9th January a note alleging interference by British officials in the internal affairs of Persia and followed this on 12th January with a note demanding the closure of all British Consulates in Persia by the end of the Persian month (21st January). On 22nd January the Persian Government announced that they had refused their *agrément* to Sir F. Shepherd's proposed successor on the grounds that he had previously served in Persia. There was considerable activity as regards trade negotiations with various countries and a Trade Agreement with Hungary, which included oil, was signed at the end of the month.

Oil

3. As reported in paragraph 5 of Sir F. Shepherd's despatch under reference, Messrs. Rieber and Prudhomme of the International Bank arrived in Tehran on 31st December, 1951. They were almost immediately confronted with a reply from Dr. Musaddiq to the letter which they had brought from Mr. Garner, Deputy Director

of the Bank, setting forth the "principles" which had been agreed between Mr. Garner and Dr. Musaddiq in America. The Prime Minister asked for clarification of most of these principles and rejected as completely unacceptable the proposal for a division of trading profits between the Persian Government, the Bank (in trust) and the eventual bulk buyer. Unless the Bank agreed with the Persian Government's views, Dr. Musaddiq added, there was no point in the mission going to Abadan. Nevertheless, they went to Abadan on 6th January, returned on 12th January and left for the United States the next day. Nothing further was heard of the Bank mission during the rest of the month.

4. M. Navab, the Persian Minister at The Hague, who it was decided should table at The Hague the Persian Government's rejection of the Court's claim to competence in the oil dispute, arrived in Tehran on 19th January. He left again on 30th January bearing the instrument which it was announced would prove conclusively the Court's incompetence.

Internal Political Affairs

(a) Parliamentary

5. On 1st January M. Kazimi, deputising for an ever-ailing Prime Minister, presented himself at the Majlis and announced that Dr. Musaddiq had chosen 26th January to reply to the Opposition's interpellation (*i.e.*, the full permitted month after the tabling of the interpellation). The Opposition objected that it was for the Majlis to fix the date on which the Government should reply but eventually the Speaker proposed 22nd January (1st Bahman) and this was agreed. At the next meeting of the Majlis the Opposition proposed the setting-up of an eight-man commission from both Houses to supervise the elections throughout the country. This proposal was most unwelcome to the Government and despite several private meetings, both of the Majlis and of selected representatives of the opposing parties, the Government chose the safer course of instructing its supporters to stay away from the Majlis so that there should be no quorum to approve the measure. This "obstruction" continued past the date agreed for the hearing of the interpellation

and at the end of the month there had been no meeting of the Majlis since 6th January. The Majlis had managed to approve the provisional one-twelfth budget for the previous Persian month just before this trouble broke out but with the complete paralysis of all parliamentary business there was little prospect at the end of the month of Government employees receiving their wages as the result of another one-twelfth budget being approved by the Majlis.

6. An interesting incidental development in this pantomime was that, when the Speaker wrote to the Prime Minister on 6th January asking him to arrange for a Minister to attend the Majlis, Dr. Musaddiq replied that he could not come himself as the last time he came to the Majlis (on 11th December) an attempt was made on his life (paragraph 9 of Monthly Report for December). On the eve of the day fixed for the interpellation the Opposition publicly proposed a bargain by which they would leave their refuge in the Majlis and drop their proposal about the supervision of the elections if the Government would instruct its supporters to attend the Majlis for the interpellation. Nothing, however, came of this manoeuvre.

(b) Cabinet

7. M. Amir Taimur Kalali, the Minister of the Interior, resigned on 4th January, presenting his resignation to the Shah before informing the Prime Minister. He let it be known to the press that one of the reasons for his resignation was Dr. Musaddiq's insistence on giving direct orders about the elections which are, properly speaking, the concern of the Minister of the Interior. It also seems that M. Kalali wishes to stand for election to the XVIIth Majlis from Meshed. Dr. Ibrahim Alimi, a lawyer and new to Government office, was presented to the Shah on 19th January, as Minister of Labour, an office formerly held by M. Kalali.

(c) Elections

8. Polling for the XVIIth Majlis took place in Tehran on 22nd, 23rd and 24th January, during which time 141,663 votes were cast in the 104 polling stations, as against 56,278 votes over a week in twenty-five polling stations for the re-held elections for the XVIth Majlis. The date chosen for the beginning of the voting coincided with the day fixed for the interpellation of the Government; it was also perhaps a coincidence that the Shah left Tehran on the

same day for an unseasonable holiday by the Caspian from which he returned on 30th January. Voting passed off quite quietly by Persian standards. The Government appears to have introduced an improvement on its predecessors' method of changing votes or ballot boxes as this time, at least in certain polling stations, a censorship was instituted to ensure that people put the right names in the urn. Although the Tudeh were confident of doing well in some polling stations where the Ministry of Justice inspectors were favourable to them, it was generally considered a foregone conclusion that the National Front list would be successful. The reading of votes began on 27th January and the day-to-day results showed the same twelve candidates maintaining their positions. All are National Front supporters except for one, lying tenth in the list.

9. In the course of the month the administrative preparations for the elections (the changing round of all the heads of local administrations, civil and police) in all provinces of Persia except Khuzistan were completed. Some half-dozen election results in North Persia have been announced, none of the successful candidates being particularly inimical to the National Front, while in Shahrud one of the Opposition leaders, Ghulan Riza Fuladvand, lost his seat to Shams Qanatabadi, leader of the Militant Muslims and son-in-law of Avatullah Kashani. There have been several reports of electoral disturbances in various parts of the country, in some cases involving up to five fatal casualties.

Foreign Affairs

10. On 9th January a Ministry for Foreign Affairs messenger left at this Embassy out of office hours a note alleging an increase in British interference in the internal affairs of Persia and threatening serious action if this did not stop. In view of the improper language and method of delivery of the note, and the fact that it was published before His Majesty's Ambassador or His Majesty's Government could learn its contents, it was returned to the Ministry for Foreign Affairs with a covering note on 11th January and eventually lodged with that establishment despite attempts by officials and menials to refuse to accept it. The riposte of the Ministry for Foreign Affairs came late the next night when another note was left demanding the closure of all British Consulates in Persia by the end

of the current Persian month (21st January). The reasons given for this demand were: (i) that British consular officers had exceeded their proper functions; (ii) that now that India and Pakistan had obtained their independence there was no need for British Consulates to safeguard their interests; and (iii) that the establishment of consulates was on a basis of reciprocity and since Persia had no consulates in the United Kingdom His Majesty's Government could not maintain any consulates in Persia.

11. The following morning Sir F. Shepherd saw Dr. Musaddiq and asked him to withdraw the note which had been improperly delivered and which contained several obvious misrepresentations of the facts. This Dr. Musaddiq refused to do, saying that the decision to send the note had been taken by the Cabinet. On 16th January Sir F. Shepherd saw M. Kazimi and handed him the official reply to the note. This pointed out that no sort of proof or even detailed allegations of the interference of British officials had been adduced, that the right of Great Britain to maintain consulates in Persia was based on the Anglo-Persian Treaty of 1857 and that the Persian Government enjoyed similar rights in the United Kingdom. Neither this nor Sir F. Shepherd's protest at the short delay allowed had any effect on the Persian Government (except to provoke on 20th January a fresh note enclosing photostat copies of documents dating back to 1914 allegedly proving British interference), and all British Consulates in Persia duly closed on 21st January. The following day was declared a public holiday by Kashani, who, however, enjoined the faithful not to engage in demonstrations but to perform their national duty of recording their vote. Nevertheless a large public meeting was staged by the National Front in the permitted square, at which prominent members of the National Front spoke.

12. On this day, 22nd January, when the Persian people was called upon to celebrate the death of British colonialism in Persia, I was informed by the Under-Secretary of the Ministry for Foreign Affairs that the Persian Government had decided not to grant their *agrément* to the appointment of the Honourable R. M. A. Hankey as Ambassador, for which Sir F. Shepherd had asked on 7th January. The reason given on the radio and in the Government press was that nobody who had served Persia previously could be accepted. Subsequently Dr. Fatimi's newspaper reported a Government decision that in future no British

officials would be permitted who had previously served in Persia or in the British colonies. Sir F. Shepherd, whose appointment to Warsaw had meanwhile been announced, left Tehran on 28th January.

13. Minor pin-pricks delivered against the British during the month were the arrest and imprisonment of the Persian-Armenian correspondent of Reuter's and the expulsion of the British representative of the Oriental Carpet Company in Tehran on unspecified charges.

14. Persian relations with the United States did not become easier during the month although the United States Ambassador was able to extract from Dr. Musaddiq on 4th January a letter accepting \$23 million under President Truman's Point Four Aid programme and affirming Persia's intention to honour her obligations under the United Nations Charter but not to accept fresh obligations. Although this formula satisfied the letter of the United States law, Mr. Henderson was not able to get Dr. Musaddiq's agreement to any formula which would enable the United States to continue military aid to Persia. This has therefore lapsed and there is some agitation against the renewal of the contracts of the United States advisers with the army and gendarmerie.

15. The Government have been making intensive propaganda about a number of trade negotiations which have been proceeding during the month. On 31st January a trade agreement with Hungary was concluded in great haste. Its most interesting feature was the inclusion of Persian oil and oil products. The economic and commercial value of the agreement is most doubtful and it is difficult to believe that its main intent is anything other than political. The Persian Government may consider that this threat to trade in oil with a member of the Soviet *bloc* will help to induce the United States Government to provide financial assistance or the International Bank to offer even more favourable terms to the Persians for a solution of the oil problem. The possibility of a token shipment of oil to Hungary cannot, however, be excluded.

16. By the end of the month an Italian-Persian trade agreement, which did not include oil, was ready for signature. Trade talks were also being held with Poland and the Argentine, with oil entering into the discussions, but no formal agreements have so far emerged. The Cabinet passed a decree for the encouragement of private barter agreements with foreign firms and

progress was made towards such an arrangement with a Belgian bank. Japanese and Indian firms are also said to have made proposals. This great activity is presumably intended to impress the public with the apparent success of the Government's efforts to improve the country's economic position.

17. The trade negotiations with the Soviet Union came almost to a standstill and the financial negotiations were still suspended, if not virtually broken off.

Economic and Financial

18. The position of Persian Government finances deteriorated further though salary and wage payments were again completed with only two to three weeks' delay. Dr. Musaddiq let the Americans know that the Persian Government's resources would be exhausted by the end of February and appealed for immediate financial aid. Searching enquiries at the Ministry of Finance by the United States Treasury representative indicated that the existing resources might in fact run out about a month later—over the Persian New Year period when heavier demands are made on Government funds. Fearing a complete breakdown in Government payments and a swing over to communism the Americans favour immediate financial aid. While it is clear that the Government finances are indeed rapidly approaching a critical state, Persian improvisation may manage to keep them afloat precariously for a while longer than the Americans envisage.

19. Meanwhile, voluntary subscriptions to the National Loan having produced disappointing results, forceful measures were adopted by the Government to promote sales of bonds, including deductions from salaries, part payment in bonds of debts to contractors, and by the end of January the total subscriptions had risen to over 170 million rials. The proceeds appear to have been used so far for meeting expenses of the Army and National Iranian Oil Company, both of which continue to be given priority as regards salary and wage payments. Unusually mild weather checked to some extent the rise in food prices and also reduced the hardship of the unemployed, the number of which tended to increase further: but only in Khuzistan was the unemployment problem causing the Government anxiety. On the whole, the process of economic, as distinct from financial, deterioration continued to be slow.

20. I am sending a copy of this despatch to Her Majesty's Ambassadors at Washington, Moscow and Bagdad; to Air Headquarters, Iraq, through Her Majesty's Embassy at Bagdad; to the Commander-in-Chief, East Indies, and the Senior Naval Officer in the Persian Gulf; to the United Kingdom High Commissioners at New Delhi and Karachi and to the Head of the British Middle East Office, Cairo (at Fayid).

I have, &c.

G. H. MIDDLETON.

EP 1013/8

No. 140

PERSIA: MONTHLY REPORT FOR FEBRUARY 1952

Mr. Middleton to Mr. Eden. (Received March 12)

(No. 72. Confidential) *Tehran,*
Sir, *March 9, 1952.*

With reference to my despatch No. 49 of 13th February I have the honour to send you herewith a summary of events in Persia during the month of February 1952.

General

2. The International Bank for Reconstruction and Development sent a second mission to Persia, headed by Mr. Garner, one of its vice-presidents, in an attempt to reach an interim agreement with Dr. Musaddiq which would allow the oil industry to resume operations. Mr. Garner

left Persia for the United Kingdom on 20th February without having achieved any definite results. The Sixteenth Majlis came to its formal end on 19th February, but did not meet once during the month for lack of a quorum. The Persian Government put into application an old regulation prohibiting foreign cultural activities in the provinces, and the two British Council branches outside Tehran thus had to close. The death of His Majesty King George VI elicited tokens of sympathy and condolence from many Persian quarters. Trade negotiations with various countries continued throughout the month, and an Italo-Persian trade agreement was signed on 3rd February.

Oil

3. Mr. R. L. Garner, a vice-president of the International Bank, accompanied by Messrs. Rieber, Prudhomme, Clark and Lipkowitz, arrived in Tehran on 11th February and started his meetings with Dr. Musaddiq the next day. A virtual deadlock was straightaway reached when Dr. Musaddiq declined to modify his refusal to admit the employment of British technicians, but discussions were continued in the hope of reaching a measure of agreement on other points in the bank's proposals. The mission had further talks with the Persian Prime Minister on 15th and 16th February. Little progress was made and no agreement could be reached on the questions of price and the nationality of technicians, while a further complication was introduced by the insistence of Dr. Musaddiq that the bank should represent solely Persian interests and that the operations undertaken should be "for the account of" the Persian Government.

4. The failure and departure of the bank mission seemed likely when the Senate intervened. Declaring that the Senators on the Mixed Oil Commission had not been kept informed of the progress of the talks between Dr. Musaddiq and the bank, and apparently anxious to avoid a breakdown, they sent a delegation, headed by Dr. Matin Daftari, to the Persian Prime Minister to urge that the discussions be continued. It is believed that this move was inspired by the Shah through Mr. Ala, the Minister of Court. Dr. Musaddiq thereupon disclaimed responsibility for the deadlock and stated that the bank's proposals were unacceptable; at the same time he declared that he had no objection to the Oil Commission's meeting with Mr. Garner. The latter therefore agreed to delay his departure, and the bank mission and the Senate delegation together began to examine the bank's proposals in detail and appeared to have reached a measure of agreement on certain points, notably, the management of the oil industry's operations by the bank.

5. At this point Dr. Musaddiq apparently agreed to sign a memorandum (not for publication) which would authorise the International Bank to assume responsibility for the management of the oil industry in South Persia though he continued to insist on reservations regarding (a) the nationality of the technicians to be employed—that is to say, all British were to be excluded, and (b) any reference to the bank's acting on behalf of both parties to the dispute. The

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question of price remained unsettled. But at the last moment Dr. Musaddiq virtually withdrew even his agreement that the bank should be in charge of management by inserting in the memorandum a phrase to the effect that the International Bank would be acting on behalf and for the account of the Persian Government. As Mr. Garner refused to accept this a deadlock was reached, and Mr. Garner left by air for London on 20th February, accompanied by Mr. Prudhomme.

6. The joint communiqué on the talks issued on 19th February stated that the discussions had taken place in an atmosphere of "sincerity and goodwill"; agreement had been reached on a number of problems and on others the views of both parties had been clarified; Messrs. Garner and Prudhomme were leaving in order "to pursue their activities for the export of Persian oil in large quantities."

7. In a conversation with me on 22nd February, the Persian Prime Minister while affirming his ostensible desire to reach an agreement, showed little sign of having modified his attitude or having any realisation of the practical difficulties involved in his insistence on the letter of the oil nationalisation laws, any deviation from which he regarded as a surrender of Persian "independence." He did however hint that progress could perhaps be made on other matters if the question of the compensation payable to the Anglo-Iranian Oil Company were first settled, possibly by arbitration.

8. The Persian Minister to The Hague handed to the International Court on 4th February the Persian Government's case denying the court's competence to hear the oil dispute. It was announced that Dr. Musaddiq would later appear in person before the court.

9. Mr. Salih, on becoming Minister of the Interior, was replaced as chairman of the Mixed Oil Commission by Mr. Sipahbudi.

10. A three-man commission was set up in Tehran to deal with offers received from foreign buyers of oil. Its status *vis-à-vis* the National Iranian Oil Company and the Government is obscure and its chances of succeeding in its task seem no better than those of the other agencies who have so far dabbled in the question of oil sales. There have been constant reports of large oil contracts being signed or negotiated with a variety of foreign buyers but none of these has revealed any serious possibility of

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substantial shipments being made in the near future.

Internal Political Affairs

(a) Parliamentary

11. By various means the Government was able to prevent the formation of a Majlis quorum and thus to avoid meeting the challenge of the Opposition. The term of the 16th Majlis came formally to an end on 19th February.

12. The Senate met fairly regularly throughout the month, and expressed considerable criticism of the Government on (a) the spending of the £14 million note-backing, (b) the riots in Zabul, (c) the finances of the Seven-Year Plan Organisation, and (d) the Government Bill to prohibit the sale of alcohol.

13. The Bill to prolong martial law in Khuzistan was approved, and a Bill to apply martial law in Zabul and Zahidan was tabled.

(b) Cabinet

14. Mr. Amir Ala'i, previously Minister of Justice, was presented to the Shah on 6th February as an additional Minister without Portfolio and deputy to the Prime Minister. Mr. Allahvar Salih, previously chairman of the Mixed Oil Commission, was similarly presented on 13th February as the new Minister of the Interior.

(c) Elections

15. The results of the Tehran elections were announced on 10th February, Mr. Makki heading the poll. Of the twelve elected Deputies, all but one were on the National Front list. From various evidence it is clear that the election was rigged.

16. Other election results in the provinces have been reported, together with news of disturbances in many places, often with fatal casualties. The worst riots occurred in Zabul on 9th February, where it appears that tribal supporters of the rival candidates began fighting among themselves. In the ensuing *mélée* the Farmandar and other Government officials were killed. Martial law was declared and a censorship imposed. Less serious disturbances occurred in Yazd, Khurramabad, Varamin, Nishapur, Garmsar and Qum.

(d) General

17. The position of the Musaddiq Government weakened considerably. An attempt on the life of Dr. Fatimi, editor of *Bakhtar-i-Imruz* and until recently Under-

Secretary to the Prime Minister, was made on 15th February. The assailant was a youth aged 15, a *Fida'i-yi-Islam*, called Muhammad Mihdi. He fired one shot from three yards' range and hit Dr. Fatimi in the abdomen. Dr. Fatimi has been operated on twice, and is said to be slowly recovering. It is reported that forty-six *Fida'iyan-i-Islam* have been arrested besides the assailant. The lack of National Front or "popular" reaction to this attack on one of Dr. Musaddiq's right-hand men illustrated the extent to which the National Front had already lost its popular appeal and caused a further decline.

18. A Tudeh cell in the air force has been discovered and twenty officers have been arrested.

Foreign Affairs

19. The Persian Government took another step in its campaign for nationalistic "independence" when on 4th February it revived a decree of 1949 prohibiting foreign cultural institutes outside Tehran. Those affected are the British Council centres in Isfahan and Meshed, the Voks institutes in Tabriz and Meshed, the United States Information and Education Services centres in Isfahan, Tabriz and Meshed, and the Indian cultural centre in Zahidan.

20. The news of the death of His Majesty King George VI aroused a most sympathetic response from the Government and many unofficial quarters; the Shah ordered one week's Court Mourning, and was represented by his brother, His Imperial Highness Prince Ali Riza at the funeral in England. Members of the Government attended the memorial service held in Tehran.

21. The Persian Government accorded *de facto* recognition to the West German Federal Government on 25th February.

22. An Italian-Persian Trade and Clearing Agreement was signed on 3rd February. In present conditions, which favour clearing transactions, the agreement should lead to some increase in the already substantial trade between the two countries. Trade discussions continued with a number of other countries and private firms; the only outcome so far is a small barter arrangement with a Dutch bank. Since the signature of the Persian-Hungarian trade agreement at the end of January the Hungarians have made no move to implement it, and both they and the Poles have shown no further active interest in the question of oil supplies.

23. Trade negotiations with the Soviet Union were not revived and an exchange of Russian sugar against Persian cotton, which has been in the air for months, was still in suspense.

Financial and Economic

24. The Government's financial position continued to deteriorate. The delay in the payment of salaries and wages increased to one month, and in the provinces payments in some cases are believed to be as much as two months overdue. The Government have, however, managed to collect more funds by various devices, including the drawing of rials from the Pension Fund against some of the International Monetary Fund dollars and a Bank Melli loan to the National Iranian Oil Company which was then used for the purchase of National Loan bonds. They now have a reasonable hope of meeting their most urgent commitments for the last two months of the Persian year, including New Year bonuses to junior Government employees which fall due in the third week of March. The Government also clearly intend to squeeze more funds out of the bank Melli, whose cash holdings have remained remarkably steady but could not be drawn upon extensively for budgetary purposes without serious repercussions in the bazaars which are already feeling the severe strain of business stagnation and shortage of cash. Contributions to the National Loan were stated to be 400 million rials by the third week of February, over one-third of this represent-

ing the National Iranian Oil Company purchase mentioned above. Pressure on Government employees and contractors to accept bonds in part payment of their dues increased. In spite of this and of other more or less persuasive measures the response was disappointing.

25. The country's economy is still holding up in spite of the increasing pressure laid upon it by the Government's financial difficulties. Unemployment generally is not yet critical although there has been a noticeable increase in the number of beggars in the streets of Tehran. Apart from sugar, the price of which rose steeply as a result of manipulation by speculators, basic food costs were lower than in January and the prices of other basic consumer goods were fairly stable. Agricultural prospects were improved somewhat by falls of snow and rain but the possibility of a serious summer drought has still to be reckoned with.

26. I am sending a copy of this despatch to Her Majesty's Ambassadors at Washington, Moscow and Bagdad; to Air Headquarters, Iraq, through Her Majesty's Embassy at Bagdad; to the Commander-in-Chief East Indies and the Senior Naval Officer in the Persian Gulf; to the Political Resident in the Persian Gulf; to the United Kingdom High Commissioners at New Delhi and Karachi and to the head of the British Middle East Office, Fayid.

I have, &c.

G. H. MIDDLETON.

EP 1013/9

No. 141

PERSIA: MONTHLY REPORT FOR MARCH 1952

Mr. Middleton to Mr. Eden. (Received 17th April)

(No. 95. Confidential) Tehran.
Sir, 10th April, 1952.

With reference to my despatch No. 72 of 9th March, I have the honour to send you herewith a summary of events in Persia during the month of March 1952.

General

2. A representative of the International Bank returned to Tehran from London to continue the bank's attempts, which had failed last month, to reach an interim agreement with the Persian Government which would allow the oil industry to resume operations. After several days of discus-

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sion, during which the Persian Government showed clearly that they had no intention of coming to an agreement except on their own terms, the talks broke down and the remaining representatives of the International Bank left Persia. This failure of Dr. Musaddiq to settle the oil problem, together with the continuing deterioration of the country's economic and financial situation and the general lack of security, stimulated and broadened the opposition to the Government. Attempts were made by the Senate to call Dr. Musaddiq to account for the failures of his Government, but they came to nothing owing to the Senate's own

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irresolution, the Shah's disinclination to change the Government and the beginning of the Persian New Year holidays on 21st March. Finally, a clash in Tehran between Tudeh youth and the police brought the holiday peace to a sudden end and on 30th March martial law was proclaimed in Tehran and its environs.

Oil

3. Mr. Prudhomme, a representative of the International Bank, returned to Tehran from London on 4th March to reopen with the Persian Government the discussions on the oil question which had ended in a deadlock last month. Having listened to Mr. Prudhomme's report on his discussions in London, Dr. Musaddiq told him that, although he considered little progress had been made there, he wished the talks with the Bank Mission to continue. The mission therefore began to hold daily meetings with the Mixed Oil Commission. Differences arose at once, however, on the questions of price and management: the Persians insisting that the price to be paid by the purchasing organisation should be based on refined products rather than crude and reiterating that the bank would have to work "for the account of the Persian Government." Mr. Prudhomme was asked by the Commission to submit the bank's proposals in writing and on 10th March the Commission appointed a sub-committee to discuss in more detail the points at issue. It became increasingly apparent to Mr. Prudhomme, however, that no progress was being made on the main issues. In addition to the questions of price and management, the Persian representatives repeated that they could not agree to the employment of any British technicians and even added that all existing Persian staff would have to be kept on the payroll. Mr. Prudhomme told the Commission that the bank could not possibly assume responsibility for the operation of the oil industry unless they were given a free hand to ensure its efficient operation.

4. At this point, the Shah sent for me to express his concern at the delay in settling the oil problem. He said that he still thought Dr. Musaddiq was the best person to achieve a settlement and should therefore be given a last chance. At the same time, he gave me the impression that he was very dissatisfied with Dr. Musaddiq's wholly negative policy and looked forward to being able to replace him with a new, strong Prime Minister. The real significance of this

apparent show of determination on the part of the Shah was revealed later when I learnt that he had seen me only at the instigation of Dr. Musaddiq; his expression of dissatisfaction with the Prime Minister must therefore be largely discounted.

5. Mr. Prudhomme finally became convinced that there was no possibility of reaching an agreement with the Persian Government and talks were broken off on 15th March. Discussion with the Persians then turned to the preparation of a communiqué to be issued before the Bank Mission left Persia. The first Persian draft gave the entirely false impression that no insuperable obstacles had arisen and that the talks were only temporarily suspended. Mr. Prudhomme was able to modify this draft so that when the communiqué was issued on 12th March, it stated that, although a measure of agreement had been reached on certain points, the important problems remained unsolved and that the Bank Mission would be willing to return to Persia only "if it appears that further progress can be made." This communiqué left no doubt that the negotiations had definitely broken down. Shayigan and Hasibi, members of the Mixed Oil Commission, also underlined this fact in two broadcasts explaining the breaking off of the talks. They both described the main points of disagreement and showed clearly that the present Persian Government was prepared to negotiate only on its own terms. This involved—

- (a) no employment of British experts;
- (b) acceptance of the bank's services only if it operated under the supervision of the National Iranian Oil Company (N.I.O.C.); and
- (c) the settlement of the question of price in accordance with the Persian formula of a reduction of 20 per cent. on the Persian Gulf price for crude and 25 per cent. on the Gulf of Mexico price for refined products.

Thus was confirmed the impression I gained from Dr. Musaddiq when I met him on my return from London before the talks began. Dr. Musaddiq had then revealed his pessimism about the outcome of these talks and had informed me that the Persian Government had already decided that if they broke down they would try to balance the budget without the oil revenues. Finally, at a press conference on 27th March, Bushiri stated that the Persian Government would be glad to welcome the

Bank Mission back to Persia whenever they were prepared to negotiate within the Nationalisation Laws.

6. On 19th March, to record Her Majesty's Government's point of view, I addressed a note to the Minister for Foreign Affairs rejecting the contentions contained in the Persian note of 12th January that the nationalisation of oil industry was a purely internal matter solely connected with Persian sovereignty and that Her Majesty's Government had officially recognised on behalf of themselves and the Anglo-Iranian Oil Company (A.I.O.C.) the nationalisation of the oil industry.

7. On 27th March, Her Majesty's Government presented to the International Court their observations and submissions regarding the preliminary objection lodged by the Persian Government to the consideration by the court of the Anglo-Iranian Oil Company case.

Internal Political Affairs

(a) General

8. There were signs during the month of a steady growth of opposition to Dr. Musaddiq, especially in the bazaar and mosques which hitherto had been his preserve. On 1st March, ninety Deputies of the ninety Tehran guilds complained to the Senate about unjust tax collection and the sad plight of the merchants. A popular preacher, Falsafi, made use of several mourning services to preach strong sermons against the Government. The opposition press maintained their unremitting and increasingly violent attacks on Dr. Musaddiq and as the 17th Majlis had not yet been elected they called upon the Senate to fulfil its duty to the people by ejecting the Government. Members of the Government and in particular the Prime Minister continued to take elaborate precautions for their personal safety.

(b) Parliamentary

9. Although the Senate did not succeed in effecting the overthrow of Dr. Musaddiq, it served until its adjournment for the New Year holidays as the main platform for attacks against the Government. Early in the month the Government was called to account for an alleged infringement of senatorial immunity when police officials searched the house of Senator Farrukh. After this storm had subsided, the oil negotiations, which were obviously beginning to break down caused a considerable stir in the Senate. On 15th March, the

Government was attacked by Ibrahim Khajeh Nuri and other Senators for its incompetence in handling the oil problem and the Senate decided to postpone its adjournment for the holidays to enable it to meet in secret session to consider its attitude towards the Government. On 17th March, the Senate agreed to send their Vice-President and two other Senators to meet the Prime Minister and to discuss with him the state of the country, especially the general lack of security and the grave economic situation. Dr. Musaddiq's reply to the Senate was made public in a press statement by Bushiri. It consisted for the most part of the customary tirade against the imperialists and the A.I.O.C. for bringing disorder and poverty to Persia together with an assurance that the next Majlis, which would contain a firm majority of real representatives of the people, would balance the budget by reducing expenditure. At its meeting on 19th March, the Senate considered the Prime Minister's statement and decided that, as the matter required further consideration, it would discuss it after the holidays.

10. Thus Dr. Musaddiq survived yet another attempt to remove him and, on 20th March, he was given a further breathing space as most Persians ceased work on that day to celebrate the first anniversary of the Oil Nationalisation Laws and remained on holiday during the following week to celebrate the Persian New Year.

(c) Internal Disorders

11. The superficial calm induced by the annual holiday and the magnificent spring weather was rudely broken on 28th March when a clash occurred in a main street of Tehran between a demonstration of Democratic Youth, a Tudeh cover organisation, and the police. Stones were thrown by the demonstrators and shots fired by the police resulting in about five people being killed and some 150 wounded. A novel feature of this demonstration was that, according to police reports, the demonstrators fired shots at the police when they attacked the Democratic Youth Headquarters, and clubs and some revolvers were found in the building. This demonstration was the culmination of three nights of rowdiness caused by Tudeh youth fighting in a main shopping centre with a crypto-Fascist organisation called the Pan-Iranists, who are believed to have official support and encouragement. On 30th March martial law was proclaimed in Tehran and its environs, for one month and Major-General

Alavi Muqaddam was appointed military Governor.

(d) Elections

12. By the end of the month, seventy-one Deputies had been elected to the new Majlis. So far the elections appear to have resulted in a sharp defeat for pro-Tudeh candidates, an influx of mullahs and extreme Nationalist candidates, but also in the retention by the landowners of a considerable number of the provincial seats. In spite of Dr. Musaddiq's assumed halo of incorruptibility these elections are generally recognised by all, from the Shah downwards, as being as corrupt as any other elections ever held in this country. In fact, it is rumoured that the Minister of the Interior Mr. Allahyar Saleh resigned rather than obey instructions to ensure the election of pro-Government candidates. He was replaced by the less scrupulous Mr. Ram.

Foreign Affairs

13. The contract for the continuance of the United States Military Mission was due for renewal on 20th March. A sharp difference of opinion arose, however, between the Persian Government and the Americans following Dr. Musaddiq's refusal to renew the contract because it appeared to him to conflict with his policy of neutrality. Finally, a compromise was reached which was given expression in a statement published in Washington that the United States Government had agreed to allow the mission to carry on temporarily on the existing terms, to allow the two Governments an opportunity to reach a decision on the matter.

14. On 27th March, twelve leading Persians consisting of two Senators, two retired generals, and the remainder merchants, industrialists and fellow travellers left Tehran for Moscow to take part in the International Economic Conference. Although the official Government spokesman pointed out that the delegations were going as private individuals, the semi-official character of the conference was clearly shown by the fact that Dr. Musaddiq addressed them before their departure, emphasising the need for a further development in Soviet-Persian economic relations, and the Soviet Ambassador, M. Sadtkhikov, gave them a farewell banquet which was attended by three senior Cabinet Ministers.

15. The Soviet Union may possibly take advantage of this conference to show more

willingness about renewing trade with Persia at the 1951 level. The trade negotiations were resumed during March and commodity lists exchanged. The Persian list has been passed to Moscow and the Persian authorities seem not unhopeful of a new agreement being concluded. In the meantime, goods still seem to be moving in both directions through the port of Pahlavi although on a limited scale. The financial negotiations between the two countries have not been resumed.

16. Government propaganda about trade negotiations with other countries continued, but nothing of any importance has so far materialised. The Hungarians and Italians are reported to have begun making arrangements for the opening of clearing accounts under their recent trade agreements with Persia. Meanwhile German commercial activity is growing steadily.

Financial and Economic

17. The Government managed to meet most of their urgent financial commitments, including New Year bonuses to subordinate staff. This was achieved mainly by disposing of nearly all their foreign exchange balances and by squeezing funds out of the Bank Melli, much of them in the form of indirect loans through various autonomous State organisations, but also including a Bank Melli purchase of 50 million rials of National Loan Bonds. There are no recent reliable figures of total sales of bonds but, in spite of continued pressure on Government employees and public contractors to accept part payment in bonds, private subscriptions seem to represent no more than one-half of the total sales. The heavy Government drawings on the Bank Melli and private withdrawals for the New Year holidays reduced the bank's cash holdings to about 700 million rials by the New Year; over 600 million rials less than a month before. Money began to flow back again after the holidays, and it is expected that the bank's holdings before the end of April will not be far from the February level. In this event the Government might well repeat the process of indirect borrowing to meet another month's payments, even though this might force the Bank Melli to reduce commercial credit facilities, which are already severely restricted.

18. Information so far obtainable on New Year spending is scanty, but the indications are that business turnover was about one-third less than a year before and despondency in the bazaars is deeper than ever.

The export trade is said to be declining while import ordering is at a standstill pending the issue of the 1331 import regulations and dealings in foreign exchange, the rates for which rose steadily after the breakdown of the International Bank negotiations, are limited. Unemployment has increased very gradually and only seems to be critical with the former contract labour in Khuzistan, where the position is deteriorating. Discontent amongst the unemployed is growing and may well be accentuated if the usual spring work is not forthcoming for the unskilled labourers. Private building is absorbing some labour, but Government construction activity has not risen from its low winter level, although the Seven-Year Plan has received 20 million rials from the Government and, if it receives this amount regularly every month as promised, should be able to offer a limited amount of work on road, railway and dam construction. Food prices rose slightly, but the prices of other

basic commodities were steady. There was more snow and rain, sufficient, in the opinion of qualified observers, to ensure an average harvest. Swarms of locusts in the South-West began to move inland later in the month and eggs were laid in wide areas. It was feared that the problem would be more serious than last year, and that international assistance would again be required.

19. I am sending a copy of this despatch to Her Majesty's Ambassadors at Washington, Moscow and Bagdad; to Air Headquarters, Iraq, through Her Majesty's Embassy at Bagdad; to the Commander-in-Chief, East Indies, and the Senior Naval Officer in the Persian Gulf; to the Political Resident in the Persian Gulf; to the United Kingdom High Commissioners at New Delhi and Karachi and to the Head of the British Middle East Office, Fayid.

I have, &c.

G. H. MIDDLETON.

EP 1013/11

No. 142

PERSIA: MONTHLY REPORT FOR APRIL 1952

Mr. Middleton to Mr. Eden. (Received May 8)

(No. 21. Confidential) Tehran,
(Telegraphic) May 5, 1952.

April brought no improvement in Anglo-Persian relations, no progress towards a settlement of the oil dispute, and no halt to the gradual deterioration of Persia's economy and finances.

Political

2. The newly-elected Chamber of Deputies of the 17th Majlis was formally inaugurated by the Shah at the end of the month, although elections in many of the principal cities (notably Isfahan, Shiraz, Meshed, Abadan) have yet to be held, and the credentials of those elected have not yet been approved. The Persian Prime Minister has in fact taken the unprecedented step of addressing a letter to the Majlis asserting that some elections were improperly held; this is taken as a threat that those Deputies who show opposition to the Government will be unseated. While Dr. Musaddiq is at present fairly certain of getting a vote of confidence if he demands it, criticism of him is becoming stronger and more widespread.

3. The Senate met at intervals during the month and showed itself critical of the

Government in general, and, in particular, of the imposition of martial law on Tehran, Zahidan and Khuzistan, but they did not have the courage to pass any adverse votes.

Foreign Relations

4. Given Musaddiq's refusal to abandon his intransigent stand on the oil question, a solution of which alone can improve the country's economic position, it is natural that he should court popularity by demonstrations on the diplomatic plane which might appeal to Persian nationalism. These are chiefly directed against Britain.

5. The Persian claim to Bahrain was publicly renewed this month, coupled with a protest against alleged interference by Her Majesty's Government in the affairs of Bahrain and other Gulf States. We have contented ourselves with a brief reply rejecting the claim and the protest, and restating the fact that Bahrain is a State under British protection. Iraqi-Persian relations have also suffered from the Persian complaints at the Prince Regent's visit to Bahrain and the Iraqi Government's intention to open a consulate there. The press has indulged in its usual rhodementades on the subject, and the Persian Government

may be expected to keep this particular pot boiling for some months.

6. Charges of British interference in Persian internal affairs, not only by consuls but also by this embassy, were renewed in a note which enclosed facsimiles of documents purporting to prove the charges: they dated from the years 1917-21. My holiday visit to Shiraz was made the subject of ridiculous but malicious speculation in the press, and even the Prime Minister hinted ambiguously, in a published statement, that I had been flirting with the southern tribes. *The Times* correspondent was not allowed to remain in Persia, no reason being given.

7. Agreement was reached with the United States on resuming the flow of military aid to Persia, interrupted last January. Musaddiq ingeniously tried to make it appear—not without some success—that he was obtaining general financial and economic assistance from the Americans; but the statements of the State Department and the United States Embassy here have underlined the limited nature of the purely military aid being given, and have to some extent countered Musaddiq's false propaganda.

8. Turkey's relations with Persia have not been improved by an exchange of recriminations over adverse press criticism and political cartoons which have been published in both countries.

9. The Moscow Economic Conference received good cover in the press, and comment was generally favourable, though uncritical. Little real advantage for Persia seems to have accrued from it. Trade negotiations with the U.S.S.R. are beginning, it seems, to make some progress at last.

Oil

10. The Hague Court has accepted the Persian request to postpone hearing Her

Majesty's Government's application, which is now expected to come up in June. Since the departure of the International Bank Mission at the end of March, no further steps towards a settlement have been taken by any interested party. The Persian Government restated during the month its assertion that Her Majesty's Government had unconditionally recognised the nationalisation of the oil industry, that this was entirely in accordance with Persia's sovereign right, and that no question of international law was involved.

11. The oil industry continued to operate only at the very low level required by Persia's internal requirements. No sales of oil were made abroad, though a Japanese firm entered the arena with a great show of interest.

Financial and Economic

12. The Minister of Finance, in an unusually frank speech to Deputies, told them of the economic plight of the country and the Government's shortage of money. A leading merchant profited by a public audience given by the Shah to expound on behalf of the Tehran Chamber of Commerce the bankruptcy of the Government's economic policy. While the recent heavy rains should assure the harvest and the well-being of the country folk, commercial activity has been further reduced owing to the tightness of credit and the shortage of foreign exchange, and most public works are still at a very low level. The Government do not appear to be seriously embarrassed by this economic stagnation, and call upon the people to tighten their belts in the "national struggle against imperialism"; and they are still finding unorthodox expedients to relieve their chronic shortage of the cash required for salaries and their most pressing current expenses.

to remove him. Musaddiq's departure for The Hague, to contest the British claim that the International Court was competent to adjudicate in its dispute with the Persian Government, gave him a further respite,

although it was noticeable on this occasion that important sections of the Opposition refused to sink their differences until his return, as they had done last September when he went to New York.

Political

2. Dr. Musaddiq made a determined attempt to strengthen his control of the Majlis by addressing a letter to its acting head stating that as certain elections had been conducted improperly they should be cancelled and the elected Deputies not admitted to the Majlis. This plan recoiled on its originator, however, because when the National Front Deputies began to question the credentials of Opposition Deputies, they in turn refused to accept the credentials of certain Deputies belonging to the National Front. Consequently, the first meeting broke up in disorder and at succeeding sessions a way out was found by passing the disputed files to a special committee, whose report resulted in a decision of the Majlis to accept all credentials except one. Fourteen credentials still remain to be ratified.

3. Musaddiq was more successful with a second manœuvre by which he clearly intended to prevent the number of Opposition Deputies being increased during his absence. On the 20th May, giving as his reason the alleged attempts of foreign agents to exploit local differences to weaken Persia's position at the International Court, he ordered that all outstanding elections be suspended until The Hague hearings had been completed.

4. The Senate again provided a platform for Musaddiq's critics, although, lacking definite guidance from the Shah, the Senators made no determined attempt to unseat him. In accepting Musaddiq's nomination of Kazimi as Acting Prime Minister they showed their opposition merely by maintaining absolute silence, and when, later in the month, they were asked to approve the Government's decision to extend martial law in Tehran for a further month, they concurred.

5. Under martial law Tehran remained free from major disorders and the 1st of May passed without any demonstrations. Members of Dr. Baqa'i's Toilers' Party made it impossible for the popular, anti-Musaddiq mullah, Falsafi, to preach in the main mosque and minor disturbances occurred in the provinces, especially in Hamadan and Bihbihan, and a small peasant rising occurred in Kurdistan when, it was reported, the peasants took the un-

precedented step in Persia of sharing out the landlord's lands.

Oil

6. No advance was made towards a solution of the oil problem. There was much talk before Musaddiq's departure for the Hague on the 28th May about the possibility of a settlement being reached before The Hague Court convened. Whatever the Persian Government's real intentions may have been, Musaddiq himself gave no public indication that he had changed his views. In a broadcast speech he made shortly before his departure for The Hague he launched a most violent attack on Britain and her alleged policy of economic blockade and internal provocation. Both he and other official spokesmen referred to the bundle of documents being taken to The Hague which would demonstrate conclusively Britain's oppressive policy towards Persia. It seems, therefore, that rumours of the possibility of reaching a compromise settlement are merely another of Musaddiq's manœuvres to retain power.

7. During the month there was a spate of reports about the sale and the preparation of agreements for the sale of Persian oil. The most important of these concerned the reported sale of 1,000 tons of oil to an Italian company and the negotiations which it was alleged were being undertaken with the Soviet trade delegation in Tehran to supply 500,000 tons of oil to the Soviet Union. The oil bought by the Italian company was apparently collected on about the 27th May by the tanker *Rose Mary*, but the official Government spokesman denied that negotiations were in progress with Russia. This denial is not, however, entirely true.

Foreign Affairs

8. An important development occurred in Soviet-Persian relations on the 21st May when Vishinsky handed to the Persian Ambassador in Moscow a note asserting that Persia had placed her army under American control and was thereby assisting the United States in its aggressive plans against the Soviet Union. The Soviet note concluded that such a policy was not in harmony with the friendly relations between the two States established by the 1921 treaty. The object of this sudden intervention, following a long period of Soviet inaction, was probably an attempt to disrupt the programme of American military aid which Musaddiq had only recently and reluctantly accepted. It may also have

PERSIA: MONTHLY REPORT FOR MAY 1952

Mr. Middleton to Mr. Eden. (Received June 5)

(No. 30. Confidential)
(Telegraphic)

Tehran,
June 3, 1952.

The opposition to Musaddiq continued to grow but, lacking unity and determined leadership, still gave no sign of being able

been connected with the approaching termination of the Caspian Fisheries Concession, the nationalisation of which was being demanded this month in both the Opposition and pro-Government press.

9. Iraq delivered its reply to a Persian note about Bahrain on the 1st May stating that Iraq did not recognise the slightest foreign authority over Arab territory. It was officially stated that replies to this note and our latest note on Bahrain would be delivered shortly.

10. Three important Americans visited Tehran during the month: Mr. Byroade, Assistant Secretary of State in charge of Middle Eastern Affairs, Miss Dorothy Thompson, representing "the Friends of the Middle East," and Admiral Hughes, Commander-in-chief of American Naval Forces in the Middle East. The Persian press naturally sought and found ulterior motives for all these visits and, in spite of official statements to the contrary, caused it to be generally believed that they had come to discover a solution to the oil problem and to draw Persia into the Middle East Defence Scheme.

Economic and Financial

11. The gradual deterioration in the country's economic and financial condition continued; it now appears that the Government will be unable to complete salary and wage payments for the past Persian month until the end of this one. In an effort to increase the Government's revenue by profiting from the sale of foreign exchange, a decree was issued on the 7th May raising the exchange certificate rates of the Bank Melli for dollars by nearly 80 per cent. A growing body of public opinion was, however, not convinced that measures such as these would solve Persia's economic problems and the leading independent paper *Ittila'at* became increasingly critical of the Government's utter failure to take the necessary measures.

12. In its campaign against the locust invasion the Government received considerable aid from the Food and Agricultural Organisation, United States, Soviet Union, Pakistan and India, and by the end of the month Khuzistan was clear, although Fars was still heavily infested. So far, crops have suffered little damage.

EP 1013/16

No. 144

PERSIA: MONTHLY REPORT FOR JUNE 1952

Mr. Middleton to Mr. Eden. (Received July 9)

(No. 36. Confidential) Tehran,
(Telegraphic) June 3, 1952.

In the absence of Musaddiq for most of the time this has been a comparatively quiet month. The Majlis continued in leisurely fashion with the approval of credentials and at the end of the month was ready to elect its President. The Hague Court proceedings and the affair of the *Rose Mary* filled the press for most of the month, but did not cause quite as much reaction amongst the people as the Government would have liked. The Government's position grew steadily weaker.

Political

2. The opposition to the Government gradually gained strength as the month went on. With the exception of four or five Senators the whole Senate was known to be strongly opposed to Dr. Musaddiq and Senators have been working behind the scenes to bring about the fall of his Government. The Majlis, although initially very unco-ordinated in its efforts slowly took

shape as credentials were approved and certain Opposition Deputies were relieved of the anxiety of losing their seats. This new unity of the Opposition was shown in the first vote for the election of President of the Majlis held on June 30th when Dr. Hasan Imami, the Imam Jume'h of Tehran and the Opposition candidate, obtained 33 votes for President. His National Front opponents, Dr. Shayigan and Dr. Muazami, obtained 16 and 17 votes respectively. A further vote will have to be taken to complete the election, but it seems probable that the Imam Jume'h will be elected with a small majority. If this occurs it will be the first defeat for the Musaddiq Government in the Majlis since it came into power. This would be all the more significant in view of the fact that Kashani and the National Front have used all their influence, persuasion and threats to make the Deputies vote for the National Front candidate.

3. Dr. Musaddiq returned from The Hague on 24th June, the Aid-i-Fitr, a public holiday. This return was cleverly timed so

that demonstrations could be organised to welcome the returning hero. In spite of objections raised by the Military Governor against public assemblies during the imposition of martial law, the Government organised a large crowd of loafers and holiday-makers to go to the airport to greet the Persian Prime Minister. This demonstration lacked the spontaneity of that given to Musaddiq on his return from the United States last year, and most of the participants merely went out to get a free ride and a show. Kashani held a prayer meeting on the same morning which was only attended by about a thousand people and has been described as a disgrace.

4. In the absence of Musaddiq the Shah began to show a little more resolution. He made it known to a number of prominent men that he wished the Musaddiq Government to fall, but that he did not want to take any active participation in the overthrow himself. His plan was that the Majlis should not give a vote of inclination to Dr. Musaddiq after he had tendered his resignation. A test case is the election of the President of the Majlis as Dr. Musaddiq has told the Shah that if the Imam Jume'h were elected he, Musaddiq, would be unable to continue his work. The Shah replied that it was up to the Majlis to elect its President and he did not intend to intervene. On the question of a successor Prime Minister in the event of Dr. Musaddiq falling, the Shah does not appear to have made up his mind. He is, however, believed to favour a weak man whose policy would not differ too much from that of Musaddiq. The candidates mentioned are Salih, Bushiri, and Hakimi. The Shah appears to be definitely opposed to the only strong man available, Qavam-us-Sultaneh.

Oil

5. There has been no progress towards solving the oil problem. The proceedings at the Hague Court have been reported in great detail in the local press and some interest has been shown. But most educated Persians feel that even if the Hague Court declares itself incompetent this will not help Persia's desperate economic position, although it will add to Musaddiq's prestige

and possibly enable him to remain in power a little longer.

6. The detention of the tanker *Rose Mary* gave the Government press and supporters a chance to inveigh against the iniquities of the piratical British. However the stir caused by this incident was not as great as the National Front would have wished, and to some it was a demonstration that Britain was prepared to enforce the interim injunction of the Hague Court. As a show of strength it probably did more good than harm to British prestige. There have been reports of increased activity in negotiations for the sale of Persian oil to Italian and American companies.

Foreign Affairs

7. The Persian Government sent us another note about Bahrain, asserting that Her Majesty's Government had frequently recognised Persia's sovereignty over the island. We have not yet replied. Public interest in this topic has waned during June.

8. At the end of the month the Persian Government protested against the Bank of England's refusal to pass drafts drawn on the Midland Bank in favour of the Persian Embassy in Rome and of Professor Rolin, who presented Persia's case to the Hague Court.

Economic and Financial

9. Prices of some basic commodities eased during the month and the cost of living fell slightly. On the other hand, the Government's financial position became more desperate and great difficulty was experienced in raising sufficient funds to complete salary and wage payments which were a month overdue. Customs revenues had fallen by 50 per cent. and the Bank Melli had almost reached the practical limit of financial assistance to the Government.

10. Progress was made with negotiations with two countries, Germany and the U.S.S.R., which together account for over 30 per cent. of Persia's foreign trade. Obstacles which had been hampering trade with Germany were removed and, after six months of intermittent negotiations, agreement was reached with the U.S.S.R. on a basis for the interchange of goods on a little longer.

PERSIA: MONTHLY REPORT FOR JULY 1952

Mr. Middleton to Mr. Eden. (Received August 6)

(No. 42. Confidential) *Tehran,*
(Telegraphic) *August 4, 1952.*

The interests of the free Western world suffered a further sharp set-back in Persia during this month. The likelihood of a Communist régime establishing itself came several steps closer, and at the end of the month the attention of Western observers was concentrated on the question whether Musaddiq's Government would or could stem the progress of the Tudeh Party, and if so for how long.

Political

2. During the first half of July opposition to Musaddiq grew steadily, and the Majlis elected as Speaker one of his opponents. When, according to constitutional practice on the inauguration of a new Majlis, the Government resigned, the way seemed open at last for the Opposition to secure a vote of inclination for a new Prime Minister. Much depended on the Shah giving to the Deputies and Senators a clear indication of his own wishes. This he failed to do, for his remarks to the leaders of the Houses were interpreted as an expression of opinion in favour of Musaddiq. He also committed the cardinal error of insisting that the Majlis proceed to a vote forthwith. The Opposition needed more time to close its ranks and consequently Musaddiq obtained the vote of inclination.

3. The Shah then requested the Senate to vote likewise. The Senate demurred, and asked that Musaddiq should first present his programme. Musaddiq refused to comply, and the Shah put more pressure on the Senators to vote for Musaddiq; this they reluctantly did, giving him 14 votes out of 36 Senators present.

4. Musaddiq remained unsatisfied and put up his price for accepting office: he asked the Majlis for six months' full powers to carry out his programme (which was only summarily outlined in the vaguest of generalities), and he demanded that the Shah give him control of the armed forces by making him Minister of War and allowing him to put in his own nominee as Chief of Staff. The Shah refused these demands, which infringed his traditional prerogatives, and Musaddiq thereupon resigned again.

5. When the Majlis met the next day, they gave forty votes to Qavam. The Shah,

who is known to mistrust Qavam, was apparently terrified at the prospect of having Musaddiq and the National Front in opposition; and the latter, under Kashani's leadership played on his fears by indulging in the most violent rabble-rousing speechifying—in particular inciting to disaffection the army and police who stood between the mob and the new Government. The strong-arm men of the National Front were reinforced by the well-disciplined followers of the Tudeh (Communist) Party, who responded with alacrity to overtures made to them by Kashani. On the 21st July the mob provoked clashes with the troops, and some twenty-thirty people were killed in the firing and 200–300 injured. The crowd added the Shah to Qavam, the British and the Americans as the targets of their execrations. This was too much for the Shah, who had never given Qavam loyal support, and he withdrew the security forces from the town and accepted Qavam's resignation simultaneously.

6. So ended Qavam's five-day premiership. Musaddiq inevitably swept back into office, now in a position to impose his demands on the Shah and to obtain full powers from the Majlis. The throne had lost much prestige and the Shah most of his popularity; the morale of the army was sadly shaken, while that of the Tudeh was greatly raised. The National Front were jubilant and expended their joy in procession of self-congratulation (and on their "victory" at The Hague Court), varied with mourning ceremonies for the "martyrs" of the 21st July and demonstrations against the Anglo-American "colonialists" and the "criminals" responsible for the firing. They also began to take thought how to break their opportunist alliance with the Tudeh.

7. While these events consolidated, temporarily at least, Musaddiq's political position, he came back to find the same old problems facing him in an acuter form: the Treasury was nearly empty and an oil settlement no nearer. He formed a Cabinet of men of straw, and presented to the Majlis a programme of "reforms" covering practically every aspect of the national life. For this he demanded (and will probably be given) six months' full powers.

Oil

8. The Hague Court announced its verdict on the 21st July: by 9 votes to 5 it ruled that it had no jurisdiction to consider the oil dispute. This has been almost universally interpreted in Persia to mean that the highest international tribunal endorses Persia's case: Persians overlook the fact that all it means is that the court felt debarred from considering the substance of the dispute since it appeared to the majority judges to be one of those which the Persian Government had, by its own severely restricted act of adhesion to the court, withdrawn from its jurisdiction.

9. The *Rose Mary* case at Aden attracted little attention after its adjournment. The Persians imagine that The Hague Court ruling will prevent any other court from taking a decision against them.

10. On Musaddiq's return to power he put to me a definite, though vague, proposal for submitting the oil dispute to arbitration (with a neutral chairman); but he almost immediately withdrew the offer before Her Majesty's Government could reply. This was possibly a political manoeuvre rather than a serious attempt to reach a settlement, though it may equally well simply reflect the confusion which reigns in Musaddiq's mind. He knows he must somehow restore oil revenues, but is unwilling to do so on any except his own terms.

Foreign Affairs

11. Her Majesty's Government replied to the latest Persian note on Bahrain, rebutting the Persian contention that Her Majesty's

Government had ever admitted the slightest Persian claim to sovereignty over the islands.

12. The Persian Government sent a rather timid and evasive answer to the Soviet note asserting that Americans were being given the opportunity to prepare bases for aggression against the Soviet Union. The Persian reply denied that they had assumed any obligations towards the Americans in return for military aid and advice.

Financial and Economic

13. The Government's finances were stretched even further; some of the salary and wage payments for the month ending 21st July were still outstanding and those for the month ending 22nd July had not been begun. The Government appointment of a governor for the Bank Melli, who is expected to be more accommodating than the previous acting governor, promised some relief, but the Government's main financial hopes seemed to be centred on its "reform" programme, which included a reduction in Government expenditure, increases in direct and indirect taxation, an increase in the note issue, increased production, &c.

14. Prices of food-stuffs fell slightly but hardly as much as might be expected at this season. There was no significant change in the unemployment position. The exchange value of the rial, although still weak, hardened slightly towards the end of the month as a result of The Hague Court's decision and the rumoured possibility of oil sales.

PERSIA: MONTHLY REPORT FOR AUGUST 1952

Mr. Middleton to Mr. Eden. (Received September 9)

(No. 47. Confidential) *Tehran,*
(Telegraphic) *September 1, 1952.*

Internal affairs were largely stagnant during the month. The real importance lay in the high-level exchange of views on the oil problem between London and Washington about the reply to be made to the Persian note of the 7th August addressed to this Embassy. This note held out a slender hope of resuming talks between the Persian Government and the Anglo-Iranian Oil Company or Her Majesty's Government. On the 30th August a reply was delivered to Dr. Musaddiq, in the form of a

joint message from the Prime Minister and President Truman. It was conciliatory and friendly, and made proposals which went far to meet the Persian point of view. Dr. Musaddiq's initial reaction was that they were unacceptable to him and to the nation; it remains to be seen whether political circles and the nation will endorse this view, and what, if they do, Dr. Musaddiq's next step will be.

Political

2. Dr. Musaddiq received on the 31st July, 1952, as expected, the full powers

enabling him to enact his programme of reforms for a total period of six months without reference to the Majlis. Both in Majlis and Senate there were critics who opposed this abdication of the legislature.

3. The election of Kashani as President (Speaker) of the Majlis was unwelcome to Dr. Musaddiq. It enhances Kashani's prestige and appears to have whetted his ambition to become the politico-religious ruler of Persia and even—as first President of the republic he advocates—the Head of the State. He has sought fresh personal kudos by flying to Mecca, for the pilgrimage, where he will pose as the champion of Moslem solidarity. Besides this central rift in the National Front, other influential supporters of Dr. Musaddiq soon became dissatisfied with his dictatorial method of conducting business without proper consultation with his colleagues, his lack of a practical programme, and his faint-heartedness in opposing the Tudeh (Communist) Party.

4. Many announcements were made about the projects of "reform" which were being studied. The principal reform to be published in detail was one to give the peasants a larger share of the produce of the land which they worked and direct participation in local schemes of economic and social development. This and the other reforms promised are likely to achieve little result until there is a drastically improved administration to ensure their execution.

5. Disorders on a small scale occurred in Tehran in the middle of the month, chiefly between the Tudeh and extreme Right-wing neo-Fascist groups. The latter came off worst while the Tudeh never had to bring out their main body of supporters. Scattered strikes in Tehran, mostly caused by Tudeh exploitation of the workers' genuine grievances, were dealt with indecisively by the Government. Martial law and a curfew were re-introduced on the 20th August. There was a reshuffle of important posts in the police and gendarmerie, in the Ministry of National Defence and in divisional commands of the army: these reflected Dr. Musaddiq's desire to get rid of active and independent-minded officers, and from the point of view of administrative ability and capacity to maintain order most of the changes were for the worse. Nevertheless, there were no serious disorders at the end of the month when martial law was lifted for a day to

commemorate the 40th day after the 21st July.

Oil

6. Dr. Musaddiq's first move in his current ministry was to send this Embassy a note on the 7th August, in the tail of which was an offer to discuss compensation with the A.I.O.C. The bulk of the note was taken up with a rehearsal of the alleged losses and damages which the company and Her Majesty's Government had inflicted on the Persian Government, the debts due from the company and Her Majesty's Government, and threats of the dire consequences which would ensue if these debts were not at once repaid. I was assured that this was the Persian way of showing a conciliatory and constructive approach to the problem.

7. While the Persian charges merited a severe and detailed rebuttal Her Majesty's Government decided to concentrate on the one positive fact embedded in the note, the offer to resume talks with the Anglo-Iranian Oil Company. It was nevertheless important, if the talks were to succeed, that their scope should be broadly defined in advance in order that the company should not be stopped from claiming their legal rights; and it was desirable that Dr. Musaddiq should be brought to agree that if direct talks failed, the question of compensation in its widest aspect should go to international arbitration. After much consultation between London and Washington my United States colleague and I were accordingly instructed to deliver to Dr. Musaddiq a joint message from the Prime Minister and President Truman commending to him certain proposals made in a sincere feeling of friendship for the Persian people, and reaffirming their desire to see an early and equitable solution of the dispute. The proposals were: (a) the question of compensation due to the A.I.O.C. in respect of the nationalisation of their enterprise in Persia should be submitted to the International Court of Justice; (b) the Persian Government and the A.I.O.C. should appoint representatives to negotiate the resumption of the flow of oil from Persia; (c) if these two proposals were accepted, the company would seek to move the oil already stored and make appropriate advances, Her Majesty's Government would relax the restrictions on exports to Persia and her use of Sterling, and the United States Government would make an immediate grant of \$10 million.

8. When these proposals were first put to Dr. Musaddiq on the 27th August he attacked them bitterly, called them "a nefarious trap," said the whole Persian people would unanimously reject them, and hinted that Anglo-Persian relations would be further seriously harmed, perhaps to the point of a rupture of diplomatic relations. The proposals were not left with him on this occasion, but delivered in writing, in the same terms, on the 30th August. They were published the same evening in London and Washington, and broadcast by Radio Tehran.

9. A communiqué from Dr. Musaddiq was broadcast the same night saying that the proposals would never be acceptable to his Government and to the nation on which they would create a bad impression, but that he would summon the Majlis and Senate to draw up a reply. The communiqué was not abusive or violent.

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No. 147

PERSIA: MONTHLY REPORT FOR SEPTEMBER 1952

Mr. Middleton to Mr. Eden. (Received October 10)

(No. 52. Confidential) *Tehran,*
(Telegraphic) *October 6, 1952.*

Internal affairs, apart from the oil question, continued stagnant during the month though the trend towards a gradual breakdown in administration and in internal security continued. The real importance lay in the Persian reaction to the joint Churchill-Truman proposals as shown firstly by the speech of the Persian Prime Minister to the Majlis on the 16th September and later by the official Persian reply. Its main points are a demand for immediate payment of the £49 million which would have been due to Persia if the Gass-Gulshayan Agreement of 1949 had been ratified by Persia, and a statement that the Persian proposals were valid for ten days only. It did not contain the threat previously made by Dr. Musaddiq to sever diplomatic relations with the United Kingdom if the Persian demands were not met. The ten-days validity of the proposals expires on the 4th October.

Political

2. Internally the Government did little active governing. It was not until the end of the month that any important use was made of the Prime Minister's full powers

Financial and Economic

10. The Bank Melli advanced further funds to the Government, and the most pressing of the salary and wage payments for the month ending 22nd July were met. The Government have announced that payments for the month ending 22nd August will begin shortly, but provincial payments seem to be falling steadily into arrears. In spite of his full powers Dr. Musaddiq is believed to be reluctant to authorise an increase in the note issue and to be hesitating over the levy of an increased property tax announced during the month.

11. The basic cost-of-living was virtually unchanged. The abolition of sugar-rationing was followed by hasty measures to prevent speculation and hoarding. Business is still slack, and the decline in exports is causing the Government concern. A relatively small-scale trade agreement with Czechoslovakia, including oil, was signed towards the end of the month.

when a decree for the reform of the Department of Justice was issued. Its main feature was the abolition of the special courts, of which the most important task has been the trial of Tudeh Party members. These will now be dealt with by the ordinary courts, whose venality and inefficiency is unlikely to be eradicated by any foreseeable reforms. Internal security deteriorated, especially in Kurdistan, where a succession of tribal skirmishes took place, and in Fars, where an old-standing inter-tribal feud broke out into armed conflict. The Government has felt sufficiently concerned about security in the oil areas of the south and at Kermanshah to prohibit both foreigners and Persians entering them except by special pass.

3. The overt activity of the Tudeh Party continued to be directed mainly against the Court and the various American agencies in the country. During most of the month the party was issuing warnings against an imminent Right-wing court-inspired *coup d'état*. It appeared towards the end of the month to have given up the hope arising out of the events of the 21st July to form a United Front with the present leaders of the National Front and to be directing its activities towards encouraging co-operation between the rank and file of the National

Front Parties and the Tudeh Party. The Shah played little part in political life during the month. On several occasions his imminent abdication was rumoured but on each occasion it was formally denied. It is, however, clearer than ever that he cannot be expected to play any effectual part in governing this country.

4. One move made by the Prime Minister in his campaign to remove all significant rivals for power was his attempt to break up into five separate brigade groups the 1st Guards Division, stationed in the capital. This is the only sizable body of troops which, under the command of one man, might have been used by the leaders of a *coup d'état* to overthrow the present Administration. The army appear, however, to have successfully resisted this move.

Oil

5. Developments in the oil question fall into two parts. The month opened just after Dr. Musaddiq's communiqué stating that the proposals contained in the joint Churchill-Truman message would never be acceptable to the Persian nation. From that time until the actual delivery of the Persian reply on the 24th September there was intense speculation about the form the reply would take. The principal Persian objections to the proposals were allegedly that they revived the 1933 Concession, that they did not specifically reject claims by the A.I.O.C. to manage the Abadan refineries, that they postulated the A.O.I.C. as a monopoly buyer, that they did not go into details about the price to be paid for oil and that they did not delimit the compensation claims of the two parties. The Prime Minister made a long statement to the Persian and foreign press on the 7th September giving details of the Persian objections to the proposals. On the same day I urged him to reconsider them. Later, in the evident hope that Her Majesty's Government would make some move towards considering his counter-proposals, the Prime Minister postponed the meetings of the Majlis and the Senate until the 16th and 17th September, respectively. I made it clear to him at the time that there was no likelihood of Her Majesty's Government accepting the proposals put forward by him. At the meeting of the Majlis on the 16th September, Kazimi read a speech on behalf of the Prime Minister which was uncompromising in its attacks on the A.I.O.C. and Her Majesty's Government but made no mention of the Americans. The contents of the speech were on the lines

of the statements previously made by the Prime Minister, but added that if the Persian proposals were not accepted by Her Majesty's Government, the Persian Government would have no choice but to sever diplomatic relations. At the conclusion of the speech Dr. Musaddiq was given a vote of confidence by the Majlis by sixty votes to one abstention. This was followed the next day by a unanimous vote of confidence from the Senate. The drafting of the formal reply to the Churchill-Truman proposals was referred to the Mixed Oil Commission of the two Chambers and was delivered to my United States colleague and myself on the evening of the 24th September. It was in the form of a letter from Dr. Musaddiq to Mr. Churchill, though a copy was given to the United States Ambassador for Mr. Truman under cover of a letter addressed to the latter. The formal reply consisted of four articles, dealing with the questions of compensation both to the company and to the Persian Government, which could be referred to the International Court of Justice at The Hague under certain limited and clearly unacceptable conditions. The fourth article claimed the payment in advance of a "heads-I-win-tails-you-lose" kind to the Persian Government of £49 million. All articles were to be accepted without amendment and the offer was to be valid only for a period of ten days from the time of its delivery to me.

6. During the period between the delivery of the Churchill-Truman proposals and the receipt of the Persian Government's reply, representatives of other Powers in Tehran made efforts to persuade the Prime Minister to accept, or at any rate not to reject out of hand, the proposals put forward by Mr. Churchill and Mr. Truman. In particular the representatives of Iraq, Turkey, Belgium and India did their best to show Dr. Musaddiq that the joint proposals were eminently reasonable and fair to Persia. Unfortunately, these voices of sanity had no influence with Dr. Musaddiq, who was perhaps encouraged by the activities of the representatives of small oil companies from other countries and by the expressed wish of the Brazilian Government to obtain supplies of cheap Persian oil to hope that he had nothing to lose even if negotiations between Persia and Her Majesty's Government broke down.

7. Visitors to Tehran during the month who may have been instrumental in inducing Dr. Musaddiq to believe that with or without an agreement with A.I.O.C. and Her Majesty's Government the Persian oil

industry could be restarted in a way profitable to Persia were Dr. Schacht, whose later published remarks were unhelpful and unflattering to both parties to the dispute, and Mr. Alton Jones, of the Cities Service Corporation of the United States. Mr. Alton Jones arrived in Persia in August at the invitation of Dr. Musaddiq and left on the 20th September. During his stay he inspected the installations at Abadan and reported that they were being kept in good condition though to operate them at anything like their former level of output about 500 foreign experts would be necessary. On his departure Mr. Jones gave a press conference in the course of which he hinted that, if a solution of the oil dispute were not reached shortly, his company might buy Persian oil and assist the National Iranian Oil Company technically.

Financial and Economic

8. The Bank Melli, under instructions from Dr. Musaddiq, who seems to be taking

a more desperate view of the financial situation, began making clandestine increases in the note issue to meet the Government's growing deficit. In an effort to keep this secret the Government used most of the money for commitments other than salary and wage payments, the arrears on which are being made up only gradually. Salary and wage payments for the month ended 22nd September have not yet begun.

9. The basic cost of living rose by some 2 per cent. due to higher food prices. A gradual deterioration in employment seems to have set in. The Isfahan textile industry is running into difficulties caused mainly by the Government's non-payment for goods supplied. A decree was issued permitting the clearance of industrial machinery from the Customs on the undertaking to pay duties at a later date, a move presumably aimed at reviving the stagnant import trade and at providing more opportunities of employment.

EP 1013/24

No. 148

PERSIA: MONTHLY REPORT FOR OCTOBER 1952

Foreign Affairs

Her Majesty's Chargé d'Affaires left Tehran on 1st November. Dr. Musaddiq had tried to entrust him with a "message to the British people" setting forth Persian complaints against Britain, the Anglo-Iranian Oil Company and Her Majesty's Government with the usual length, incoherence and inaccuracy. The message was subsequently broadcast by Tehran radio. A further bid to whip up anti-British feeling was made with the arrest of Mr. H. G. Navarra, a British subject and ex-officer of the British army, who had been concerned during the war with the arrest of Kashani for pro-German activities. Navarra was accused of espionage and also of liaison work between the British Government and the Tudeh.

2. The United States Government continued their efforts to avert what they regard as the imminent danger of communism in Persia. They tried to induce Her Majesty's Government to discuss a formula for compensation to the A.I.O.C., which would mean the abandonment of the joint proposals put forward in September; urged the International Bank to consider a loan to Persia; and warned Her Majesty's Government of their desire to issue a state-

ment disclaiming any intention of interfering with the purchase of Persian oil by United States companies.

3. This desire was apparently their reaction to warnings from the Persian Government that the latter would consider failure to grant economic aid or to buy Persian oil as an unfriendly act. The Persian Government, in fact, were putting strong pressure on the United States Government, and General Eisenhower's election gave Persian propaganda (and the Minister for Foreign Affairs in person) the occasion to demand a change in United States policy, cessation of support for Britain and economic aid earned by Persia's war-time services to the Allies. The United States Government decided to recall their ambassador to Washington for consultation and he left Tehran on 14th November after an interview with Kashani, who no doubt also emphasised the need for a change in United States policy.

4. On 2nd November the Persian Government accepted the Soviet contention that the terminal date of the Caspian Fisheries concession, which had been in dispute, should be 31st January, 1953. This produced rumours of moves towards a Persian-Soviet rapprochement (e.g., a non-aggression treaty

or dismissal of United States military advisers to be bargained against Soviet abandonment of their right, under the 1921 Treaty, to send forces into Persia). Eventually the Minister for Foreign Affairs denied that there had been any change in Persia's policy of neutrality.

5. The Persian Government declared the Brazilian Minister *persona non grata*, as having intervened in Persian internal affairs (it is believed that the real reason was his close relations with the Court). The chargé d'affaires who succeeded him, and the Argentine Minister, were also reported in similar hot water. Persian-Turkish and Persian-Iraqi relations were somewhat strained, as a result of a Turkish historical film disparaging the Safavid kings, reports of Iraqi troop concentrations on Persia's frontiers and expressions of concern by the Iraqi Ambassador at Tehran at the anti-Iraq tone of the Persian press. The Persian Minister for Foreign Affairs publicly mentioned the Shatt-el-Arab dispute, dormant since 1950.

Internal Affairs

6. Relations between the Majlis and the Government were somewhat strained, the Majlis criticising, among other things, the Government's delay in carrying out promised reforms and executing the anti-Qavam Bills (on which the Shah at the last moment withdrew his request for clarification). The Bill for the release of Razmara's assassin was, however, executed forthwith. There was also criticism of several of the measures taken by the Government under its full powers, notably, a sharp attack by Baqa'i on the Internal Security Law (forbidding demonstrations and strikes in Government establishments). There were rumours of Cabinet changes (whereby several National Front Deputies would become Cabinet Ministers while retaining their seats) the dissolution of the Majlis and of dissension between Musaddiq and Kashani. Although these rumours were officially denied, Ministers were refusing, at the end of the month, to attend the House which, they considered, had insulted them.

7. The Government continued their suppression of foci of opposition by dissolving

the Supreme Court of Appeal and the Disciplinary Court, and retired a further number of senior officers prominent under the old régime in the army and the police. There were no signs of new elections to replace the recently dissolved Senate.

8. There were some signs of further action against the Tudeh. Besides the Internal Security Law (for which see paragraph 6 above) and another concerning sabotage of communications, the Government tried (albeit apparently in vain) to stop the practice whereby suppressed Tudeh newspapers continually reappear, Hydra-like, under new names; martial law was prolonged in Tehran for another two months; some editors and sellers of Tudeh papers were arrested (but were later released) and the Military Governor tried to prevent Left-wing activity by students and schoolboys. It was also notable that in the Majlis Deputies closely connected with Kashani spoke out against the Tudeh, but it is feared that Kashani himself retains his opportunist readiness to collaborate with them when it suits him. He is pursuing his plan for a congress of Middle East Nationalist leaders (to include such discredited figures as Mustafa Nahas and the ex-Mufti of Jerusalem) the theme of which, according to a press conference by Kashani, will be the need for Middle Eastern neutrality between East and West, but the project does not seem to be evoking much sympathy in other Middle Eastern countries.

9. There were disorders at Qum, where the Government were compelled to order martial law, following the appointment of a new Head of the Shrine, and in Mazandaran, and reports of discontent and turbulence in Kurdistan and Azerbaijan.

Economic

10. In spite of the general impression of deterioration, Government salaries had been paid up for the month of Mihr (mid-September to mid-October). Persia was reported to have nearly run out of dollars, but to have secured \$4 million from point 4 to buy sugar. Free exchange rates fluctuated around 230 rials to the pound sterling and 80 rials to the dollar.

APPENDIX

BIOGRAPHICAL NOTES

EP 1012/1

No. 149

LEADING PERSONALITIES IN PERSIA

Mr. Middleton to Mr. Eden. (Received 13th August)

(No. 256. Confidential) *Tehran,*
Sir, *11th August, 1952.*

With reference to my despatch No. 309 of 5th November, 1951, I have the honour to transmit to you herewith a list of personalities in Persia revised to the end of July 1952 and, in the case of Qavam-us-Saltaneh, to date.

I regret that owing to pressure of current political work it has not been possible to submit the list before.

I have, &c.

G. H. MIDDLETON.

Enclosure

Leading Personalities in Persia, 1952

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1. Adham, Dr. Abbas (Alam-ul-Mulk).
2. Adham, Dr. Hasan (Hakim-ud-Dauleh).
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4. Adl, Engineer Majid.
5. Afshar, Riza.
6. Ala, Husain, C.M.G. (Mu'in-ul-Vizarch).
7. Alam, Asadullah.
8. Alavi, Dr. Hasan.
9. Alimi, Dr. Ibrahim.
10. Amini, Dr. Ali.
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16. Amir-i-Jang (see As'ad, Muhammad Taqi).
17. Amir Makhsus (see Qubadian, Abbas).
18. Amir Muvassaq (see Nakhjivan, Muhammad).
19. Amir Nizam (see Qaraguzlu Husain Quli).
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21. Ansari, Abdul Husain Mas'ud.
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25. Ardalan, Dr. Ali Quli.
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29. As'ad, Manuchihr (see Bakhtiari, Manuchihr As'ad).
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31. Asadi, Salman.
32. Ashrafi, Ghulam Husain.
33. Azudi, Yadullah (Amir A'zim).
34. Badir, Mahmud.

35. Baha-ul-Mulk (see Qaraguzlu, Ali Riza).
36. Bahrami, Farajullah (Dabir-i-A'zam).
37. Bahrami, Fazlullah.
38. Bakhtiar, Abul Qasim Khan.
39. Bakhtiar, Aqa Khan.
40. Bakhtiari, Jahanshah Samsam.
41. Bakhtiari, Manuchihr As'ad.
42. Bakhtiar, Murtiza Quli Samsam.
43. Bakhtiar, Dr. Shahpur.
44. Baqa'i, Dr. Muzaffar.
45. Basir-i-Divan (see Zahidi, Fazlullah).
46. Bayandur, Ghulam Husain, Captain.
47. Bayat, Murtiza Quli (Saham-us-Sultan).
48. Bihbahani, Mirza Sayyid Muhammad.
49. Binnia, Abdul Husain.
50. Bushihri-Dihdashti, Aqa Javad (Amir Humayun).
51. Dabir-i-A'zam (see Bahrami, Farajullah).
52. Daftari, Dr. Abdullah.
53. Dashti, Ali.
54. Divanbaigi, Aqa Riza Ali.
55. Farhudi, Dr. Husain.
56. Farmand, Hasan Ali (Zia-ul-Mulk).
57. Farman Farmayan (see Firuz, Muhammad Vali Mirza).
58. Farrukh, Mihdi (Mu'tasim-us-Saltaneh).
59. Fatih, Mahmud.
60. Fatih, Mustafa.
61. Fatimi, Ali Naqi Misbah (see Misbah-Fatimi, Ali Naqi).
62. Fatimi, Dr. Husain (Saifpur).
63. Fatimi, Mihdi (Imad-us-Saltaneh).
64. Fatimi (Nasrullah), Saifpur.
65. Fidakar, Taqi.
66. Firuz, Muhammad Husain, Major-General (Sarlashkar).
67. Firuz, Muhammad Vali Mirza (Farman-farmayan).
68. Firuz, Muzaffar.
69. Furuhar, Abbas.
70. Furuhar, Abul Qasim.
71. Furuhar, Ghulam Husain.
72. Garzan, Abbas, Major-General (Sarlashkar).
73. Ghaffari, Hasan Ali (Mu'avin-ud-Dauleh).
74. Gilanshah, Hidayat (Sartip) Air-Commodore.
75. Gulshayan, Abbas Quli.
76. Hai'at, Ali.
77. Ha'irizadeh, Sayyid Abul Hasan.
78. Hakimi, Ibrahim (Hakim-ul-Mulk).
79. Hakim-ud-Dauleh (see Adham, Dr. Hasan).
80. Hasibi, Engineer Kazim.
81. Hidayat, Abdullah, Major-General (Sarlashkar).
82. Hidayat, Izzatullah.
83. Hidayat, Khusrau Bahman.
84. Hikmat, Ali Asghar.
85. Hikmat, Riza (Sardar Fakhir).
86. Hishmati, Abbas.
87. Hishmat-ud-Dauleh (see Valatabar, Abul-Fath).
88. Human, Dr. Ahmad.
89. Humayunjah, Muhammad Ali.
90. Huvanisian, Ardashes.
91. Ibtihaj, Abul Hasan.

77. Ibtihaj, Ghulam Husain.
78. Ihtisham, Dr. Hisam-ud-Din. Imad-us-Saltaneh (see Fatimi, Mihdi).
79. Imami, Dr. Hasan.
80. Imami, Jamal-ud-Din.
81. Imami, Nizam-ud-Din.
82. Intizam, Abdullah.
83. Intizam, Nasrullah.
84. Iqbal, Ali.
85. Iqbal, Dr. Manuchihr.
86. Isfandiari, Asadullah Yamin (Yamin-ul-Mamalik).
87. Isfandiari, Fathullah Nuri.
88. Isfandiari, Musa Nuri (Muvaffaq-us-Saltaneh).
89. Iskandari, Abbas.
90. Iskandari, Iraj.
91. Issayeff, Ramon.
92. I'tibar, Dr. Abdul Husain. Izz-ul-Mamalik (see Ardalan, Amanullah).
93. Jahanbani, Amanullah, General (Sipahbud).
94. Jam, Mahmud (Mudir-ul-Mulk).
95. Jazayiri, Dr. Shams-ud-Din.
96. Kafa'i, Hasan.
97. Kaihan, Mas'ud.
98. Kaivan, Amir.
99. Kambaksh, Abdus-Samad.
100. Kashani (or Kashi), Sayyid Abul Qasim.
101. Kazimi, Baqir (Muazzib-ud-Dauleh).
102. Khajeh-Nuri, Ghulam Ali (Nizam-us-Sultan).
103. Khajeh-Nuri, Ibrahim.
104. Khusravani, Ahmad, Major-General (Sarlashkar).
105. Kishavarz, Dr. Faridun.
106. Kupal, Sadiq, Major-General (Sarlashkar).
107. Kurus, Isa (Esau).
108. Lankarani, Shaikh Husain.
109. Makki, Husain. Malik-ush-Shuara (see Bahar, Muhammad Taqi).
110. Mansur (Rajab), Ali, C.B.E. (Mansur-ul-Mulk). Mansur-us-Saltaneh (see Adl, Mustafa). Maragheh, Muhammad Sa'id (see Sa'id, Muhammad).
111. Mas'ud, Akbar (Sarim-ud-Dauleh).
112. Mas'udi, Abbas.
113. Matin-Daftari, Dr. Ahmad.
114. Misbah-Fatimi, Ali Naqi.
115. Misbahzadeh, Dr. Mustafa. Mu'avin-ud-Dauleh (see Ghaffari, Hasan Ali).
116. Mu'azid, Mas'ud. Muazzib-ud-Din (see Kazimi, Baqir). Muazziz-ud-Dauleh (see Nabavi, Taqi). Mudir-ul-Mulk (see Jam, Mahmud).
117. Mufakhkham, Dr. Jamshid. Mu'in-ul-Vizareh (see Ala, Husain).
118. Muqaddam, Hasan, Major-General (Sarlashkar).
119. Muqbil, Ahmad.
120. Musaddiq, Dr. Muhammad (Musaddiq-us-Saltaneh).
121. Musavizadeh, Ali Akbar.
122. Mushar, Yusuf. Musharraf-ud-Dauleh (see Nafisi, Hasan).
123. Mushavir, Dr. Fazlullah. Mushtashar-ud-Dauleh (see Sadiq, Sadiq).
124. Mu'tamidi, Ali. Mu'tasim-us-Saltaneh (see Farrukh, Mihdi). Mufavvaq-us-Saltaneh (see Isfandiari, Musa Nuri). Muvarrikh-ud-Dauleh (see Sipihir, Ahmad Ali).
125. Nabavi, Taqi (Muazziz-ud-Dauleh).
126. Nabil, Fazlullah.
127. Nafisi, Habib.
128. Nafisi, Hasan (Musharraf-ud-Dauleh).
129. Nafisi, Sa'id.
130. Naisari, Abbas.
131. Najm, Abul Qasim.
132. Nakha'i, Muhammad.
133. Nakhjivan, Muhammad (Amir Muvassaq). General (Sipahbud).
134. Naqdi, Ali Asghar, Major-General (Sarlashkar).
135. Nasir, Ali Asghar.
136. Nasr, Sayyid Ali.
137. Nasr, Taqi.
138. Navab, Saifullah.
139. Nikpay, I'zaz (Azizullah). Nizam-Qaraguzlu (see under Qaraguzlu). Nizam-us-Sultan (see Khajeh-Nuri, Ghulam Ali).
140. Nikpur, Abdul Husain.
141. Nurzad, Ghulam Riza.
142. Pahlavi, Muhammad Riza Shah.
143. Pahlavi, Royal Family.
144. Pakravan, Fathullah (Amir-i-Arfa').
145. Panahi, Abul Qasim.
146. Pirnazar, Hasan.
147. Purvali, Abul Qasim.
148. Qadimi, Dr. Husain.
149. Qaraguzlu, Ali Riza (Baha-ul-Mulk).
150. Qaraguzlu, Husain Ali.
151. Nizam Qaraguzlu, Husain Quli (Amir Nizam).
152. Qaraguzlu, Muhsin.
153. Qashqa'i, Khusrav.
154. Qashqa'i, Malik Mansur.
155. Qashqa'i, Muhammad Husain.
156. Qashqa'i, Muhammad Nasir.
157. Qavam, Ahmad (Qavam-us-Saltaneh).
158. Qavam, Ibrahim (Qavam-ul-Mulk).
159. Qizilbash, Aziz.
160. Qubadian, Abbas (Amir Makhsus).
161. Quds (Nakha'i), Husain.
162. Radmanish, Dr. Riza.
163. Rahnama, Zain-ul-Abidin.
164. Ra'is, Muhsin.
165. Ram, Mustafa Quli.
166. Rusta, Riza.
167. Sadiq, Dr. Isa (Sadiq-i-A'lam).
168. Sadiq, Sadiq (Mustashar-ud-Dauleh).
169. Sadr, Sayyid Muhsin (Sadr-ul-Ashraf). Saham-us-Sultan (see Bayat, Murtiza Quli).
170. Sa'id (Maragheh), Muhammad (Sa'id-us-Vizareh).
171. Sa'idi, Muhammad.
172. Sajjadi, Dr. Muhammad.
173. Salih, Allahyar.
174. Salih, Dr. Jahanshah.
175. Sami'i, Husain (Adib-us-Saltaneh). Samsam (see under Bakhtiari). Sardar Fakhir (see under Hikmat, Riza). Sarim-ud-Dauleh (see Mas'ud, Akbar).
176. Sayyah, Hamid.
177. Sayyah, Kazim. Shahab-ud-Dauleh (see Shams-ul-Mulk Ara'i).
178. Shahbakhti, Muhammad, General (Sipahbud).
179. Shahrakh, Bahram.
180. Shams-ul-Mulk Ara'i, Asadullah, K.C.V.O. (Shahab-ud-Dauleh).
181. Shayigan, Dr. Sayyid Ali.
182. Siasi, Dr. Ali Akbar.
183. Sipahbudi, Anushirvan.
184. Sipihir, Ahmad Ali (Muvarrikh-ud-Dauleh).
185. Suhaili, Ali.
186. Sururi, Muhammad.
187. Taba, Dr. Abdul Husain.
188. Tabataba'i, Sayyid Muhammad Sadiq.
189. Tabataba'i, Sayyid Zia-ud-Din.
190. Tahiri, Dr. Hadi.
191. Taqizadeh, Sayyid Hasan.
192. Tihriani, Sayyid Jalal-ud-Din.
193. Vakili, Ali.
194. Valatabar, Abul-Fath, K.B.E. (Hishmat-ud-Dauleh).
195. Varasteh, Muhammad Ali.
196. Yazdan Panah, Murtiza, General (Sipahbud).

197. Yazdi, Dr. Murtiza.
198. Zahidi, Fazlullah, Major-General (Sarlashkar).
199. Zand, Ibrahim. Zanganeh, Dr. Abdul Hamid (see A'zam-Zanganeh).
200. Zanganeh, Dr. Ahmad Ibrahim.
201. Zarin-Kafsh, Ali Asghar. Zia-ul-Mulk (see Farmand, Hasan Ali).
202. Zirakzadeh, Engineer Ahmad. Zuka-ud-Dauleh (see Ghaffari, Amir Saham-ud-Din).

1. Adham, Dr. Abbas (Alam-ul-Mulk)

Born in 1882, son of Mirza Zain-ul-Abidin Khan (Luqman-ul-Mamalik). Is a native of Azerbaijan. Educated in Persia and at Paris University where he studied medicine. Did post-graduate work in France. Minister of Health under Hahzir in June 1948 and again under Sa'id when he reshuffled his Cabinet in March 1949. Continued in office under Sa'id when he shuffled his Cabinet again in January 1950, although Dr. Farhad was at first designated to replace him. Not reappointed by Mansur, April 1950.

Was previously head of the School of Medicine in Tehran and is still head of the Razi Hospital. He is also a court physician. Speaks French and Turki. His daughter is married to Nusratullah Muntassir of the Anglo-Iranian Oil Company.

2. Adham, Dr. Hasan (Hakim-ud-Dauleh)

Brother of Dr. Abbas Adham. Obtained a medical degree in France and speaks French.

Was a Deputy for Tehran in XIIIth Majlis. A member of Tehran Municipal Council, August 1943. Chairman of Electoral Supervising Committee for re-held XVIth Majlis elections in Tehran, January 1950. Minister of Health under Musaddiq, May to September 1951. Then appointed Minister without Portfolio.

3. Adl, Ahmad Husain

Born in Tabriz c. 1895, son of the late Adl-ul-Mulk and younger brother of Mustafa Adl (Mansur-us-Saltaneh). Educated partly in France.

Appointed Minister of Agriculture in March 1942, which post he held until February 1943, showing himself friendly and helpful. He was then tried in the Officials Court on charges of misappropriation of funds but was acquitted. Appointed to the Supreme Economic Council in April 1945; he became Minister of Agriculture again in November that year. Again Minister of Agriculture under Qavam in June 1947. He was associated with the Seven-Year Plan under Dr. Nafisi and took his place as chairman of the Provisional Organisation of the Seven-Year Plan in January 1949, until May 1949 when he was appointed a member of the Supreme Council of the Plan. He was successful in the first stage of the Senate elections in Tehran, October 1949. Chairman of High Council of Seven-Year Plan, April 1950.

Speaks French and a little English.

4. Adl, Engineer Majid

Born c. 1911. Brother of Husain Adl. Director of Karaj Agricultural College during Russian occupation (1943-45). Subsequently head of Animal Husbandry Department of Ministry of Agriculture. Then first Director of Animal Husbandry Institute (from early 1950), which he is organising on progressive lines. Keenly interested in his work and, although not really forceful, can be surprisingly determined; engaging personality.

Educated in France but speaks English fairly well and favours English methods. Very friendly and co-operated well with B.M.E.O. experts. Married. Good tennis player and played regularly with the Shah.

5. Afshar, Riza

Born at Urumieh (now Riza'iyeh) about 1888. Joined the Ministry of Finance as a young man, and during Mirza Kuchik Khan's rebellion in Gilan acted as financial agent to him; and soon after the war he got away with certain funds from the Finance Office in Resht. With these he brought carpets and took them to America for sale. Served also under Sir P. Cox, who paid him well. Returned to Persia in 1921, full of American ideas and education. Joined the staff of Dr. Millspaugh, the American financial adviser. A staunch supporter of the Pahlavi régime; elected to the 5th, 6th and 7th Majlis. Opposed Firuz Mirza when the latter was Minister of Finance. Governor of Gilan in 1929. While at that post he organised the Gilan Import and Export Company, which was founded in opposition to Russian trade monopoly methods. As a result he incurred the hostility of the Russian interests there. Governor-General of Kerman in 1931. Minister of Roads in February 1932. Resigned in the following July, being unable to build the Chalus road fast enough for the Shah. Governor of Isfahan September 1932 to December 1933. Was put under surveillance in Tehran in 1935 owing to supposed inefficiency (perhaps complicity) in connexion with the Bakhtiari plots in 1934. Sentenced to six months' imprisonment and permanent exclusion from Government service in June 1936 for accepting a bribe when Minister of Roads.

Governor-General of Isfahan May-June 1944 until Supreme Court of Appeal decided he was ineligible for office on the grounds of the sentence passed on him in 1936. Secretary to the Iranian Airways December 1944. Deputy for Riza'iyeh in 16th Majlis but his credentials were queried and he was replaced by Muhsin Afshar.

Speaks English fluently. Full of ideas and energy. Very nationalistic.

6. Ala, Husain, C.M.G. (Mu'in-ul-Vizareh)

Born about 1884. Son of the late Prince Ala-us-Saltaneh, for many years Persian Minister in London. Educated at Westminster School, where he seems to have received rough treatment, which resulted in a strong anti-British bias, at any rate for the next few years. Created C.M.G. in 1905, when he accompanied his father on a special mission to London for the Coronation of the late King Edward VII. Appointed "chef de Cabinet" in the Ministry for Foreign Affairs in 1906, his late father being then Minister for Foreign Affairs. He remained as "chef de Cabinet" to various Ministers until 1915. Appointed Minister of Public Works in January 1918, and continued to direct that Ministry during the Cabinet presided over by Samsam-us-Saltaneh, which was in power from May to August 1918. This Cabinet abrogated the Treaty of Turkmanchai.

After accompanying the abortive Persian mission to the Paris Peace Conference in 1918, he became minister at Madrid (1919) and then at Washington (1920). Returning to Persia in 1925 he alternated office at home with headship of missions abroad, being minister at Paris 1929 to 1933 and at London 1934 to 1936. President of the National Bank in 1941 and Minister of Court 1942.

Appointed ambassador to Washington in August 1945 when status of Persian Legation there was raised to that of an embassy. Was very active in giving publicity in the United States to the Persian case over the Azerbaijan problem and showed ability presenting Persia's case to the Security Council in March and April 1946.

He was successful in the first stage of the Senate elections in Tehran, October 1949. Appointed Minister for Foreign Affairs by Sa'id in February 1950 and continued under Mansur, April 1950, and returned to Persia at the end of May 1950.

Resigned with Mansur, June 1950. Minister of Court, February 1951. Also became Prime Minister following assassination of Razmara, March 1951, but resigned on 27th April, 1951, because of preparation by the Majlis Oil Commission of the Oil Nationalisation Bill without reference to him. Remains Minister of Court.

Married Fatimeh Khanum, the only daughter of the late Abul Qasim Khan Qaraguzlu (Nasir-ul-Mulk), Regent of Persia, in July 1927. Mme. Ala was one of the first of her generation to leave off the veil.

A hard worker and a staunch patriot; intelligent and well-read, but in internal politics apt to be negative and timid; interested in the literature of many countries and quite a good pianist. Has a perfect command of English and speaks good French. During Musaddiq's period as Prime Minister, Ala used his influence at Court in favour of his retention as Prime Minister, even when Musaddiq had lost his hold on the Legislature and public opinion.

7. Alam, Asadullah

Born c. 1920. Son of the late Shaukat-ul-Mulk, who was hereditary Khan of Birjand and the Qa'inat, he has inherited much of his father's influence over the Baluchi tribes of East Persia. In 1947 appointed Governor-General of Persian Baluchistan, in which post he showed commendable energy and efficiency. Deputy for Birjand in the Constituent Assembly April 1949. Left Baluchistan to become Minister of the Interior under Sa'id, January 1950. In the Cabinet reshuffle of February he was transferred to the Ministry of Agriculture. Continued in this post under Mansur, April 1950, with whom he resigned, June 1950. Minister of Labour under Razmara until his assassination in March 1951. While Minister of Labour assisted in the formation of a central organisation to unify the rival non-Communist trade union federations and co-ordinate their activities. Had previously been engaged in drawing up a report on the Shah's lands and when the Shah decided to distribute the Pahlavi Foundation lands in January 1951 he became a member of the Commission supervising this work. A close personal friend of the Shah.

Friendly, intelligent and helpful. Married to a daughter of Qavam-ul-Mulk. Speaks good English and French.

8. Alavi, Dr. Hasan

Born 1910 in Shiraz. Studied medicine in Bombay and London where he held post of ophthalmic surgeon at St. Thomas's Hospital and at other English hospitals. He was recalled to Persia by Riza Shah in 1938 and appointed Court Physician and consulting specialist to the Persian army. In March 1947 he was promoted to brigadier (honorary).

Hard-working and staunch patriot; intelligent and well-read with a perfect command of English. A sensitive Persian Nationalist who deprecates the failings, especially speculation, of his countrymen. A great admirer of British institutions, he helped to found the United Kingdom Universities' Society of the Anglo-Persian Institute. Has considerable private practice and is commonly acknowledged to be the best ophthalmic surgeon in Persia.

A friend of the Shah, it was on his insistence, he says, that he stood for Bushire for which he was elected to the Constituent Assembly April 1949. Deputy for Bushire in 16th Majlis. Prominent in the affairs of the "Iran" group in this Majlis. A member of the Majlis Oil Commission, he was very helpful in keeping us informed of developments there. He is a staunch supporter of Sayyid Zia-ud-Din.

The abuse heaped on him by the National Front because he did not follow their line in the oil question was more than he could stand and after the passage of the oil nationalisation laws he became inactive politically. He did not stand for the 17th Majlis.

9. Alimi, Dr. Ibrahim

Born 1909. Graduated Tehran University 1933 and afterwards studied law at Paris University where he qualified as Doctor of Law. Returned to Persia in 1940 and, after completing military service in 1942, became a professor in the Law Faculty of Tehran University. In 1944 was member of the Organisation Committee of the Ministry of Commerce and Industry (now Ministry of Economy) and has also been head of legal advisers' committee in the Ministry of Finance; technical adviser to the Iran Insurance Company and member of the Board of Directors for three years. Helped to draft Persian Labour Law. Appointed Minister of Labour by Dr. Musaddiq in January 1952. Speaks fluent French. Outwardly friendly, but completely subservient to Dr. Musaddiq.

10. Amini, Dr. Ali

Fourth son of Muhsin Amini (Amin-ud-Dauleh). Born at Tehran in 1903. Educated in Persia and in France. Studied law at Paris. Married one of the daughters of Hasan Vusuq (Vusuq-ud-Dauleh). Served for some years in the Customs Administration; appointed acting head of Customs about May 1936 and (1939) head thereof until the autumn, when General Amir Khusruvi had him transferred to the Ministry of Finance as one of the Minister's assistants.

Secretary to Qavam-us-Saltaneh when Prime Minister in 1942. Appointed as head of a commercial mission to Washington by the latter, but did not proceed.

Was sent by the Persian Government to India in 1945 to study the possibilities for developing trade between India and Persia and to examine the foreign exchange control question. Chairman of the board of directors of the Industrial Bank November 1946. Member of Democrat Party of Iran. Elected to 15th Majlis for Tehran. President of Exchange Control Commission in 1949. Successful in first stage Senate elections in Tehran, October 1949. Minister of National Economy under Mansur, April 1950, but resigned when the Cabinet began to get into difficulties. Appointed Minister of National Economy by Musaddiq, December 1951.

Speaks French and is intelligent. Accused by his enemies of various kinds of speculation and sharp practice. Agreeable, plausible and usually helpful, but not a strong character. Went to Germany on a mission connected with Perso-German trade in May 1952.

11. Amir Ahmadi, Ahmad, General (Sipahbud)

Born in Tehran about 1880. Comes from an Ardibil family, his forbears having emigrated from the Caucasus. Enlisted in the Cossack Brigade in 1899 and received speedy promotion; he was soon commissioned, and was a general in 1920. Took a prominent part in operations against the Jangalis in 1919. When the army was reorganised in 1922 he was given the rank of Amir Lashkar (chief of a division) and held successively commands in West, North-west (with Amnieh) and South-west Persia where he did good work in disarming the tribes up to 1933. Promoted Sipahbud in April 1929. Director of Remounts 1935.

Minister of War in Furughi's Cabinet, which negotiated the Tripartite Treaty in 1942. Military Governor of Tehran in December 1942, when he quickly put a stop to rioting and looting; and then

Minister of War under Qavam-us-Saltaneh and Suhaili. Resigned December 1943 when Suhaili reformed his Cabinet and at the Shah's instance appointed Zand, a civilian, as Minister of War. Minister of War in Qavam's Cabinet February 1946. Resigned July 1947. Appointed Minister of the Interior in Hakimi's Cabinet March 1948 and Minister of War under Hazhir June 1948, and again under Sa'id November 1948. Went to the United Kingdom for medical treatment September 1949, returning December 1949. Dropped from Ministry of War January 1950 and nominated a Senator for Tehran February 1950.

His accumulated wealth and large properties appear to have satisfied his desires, so that he seems to have got over his youthful inclination towards robbery. He was strongly opposed to General Razmara. During his periods of Cabinet office was very friendly to us. Not now important politically. Speaks Russian.

12. Amir Ala'i, Shams-ud-Din

Born about 1896. Senior official in the Ministry of Agriculture until his appointment as Acting Minister under Qavam-us-Saltaneh February 1946. Appointed Minister under Qavam-us-Saltaneh in August and again in October 1946. Dropped when the Cabinet was re-formed in June 1947. Successful in first stage of Senate elections in Tehran, October 1949, in which month he also took "bast" with Dr. Musaddiq in the Royal Palace as a protest against the conduct of the 16th Majlis elections.

Governor-General, Gilan, February 1951. Minister of Justice under Ala, March-April 1951. Brought in by Musaddiq as Minister of National Economy, May 1951, at the end of which month he was also appointed Acting Governor-General, Khuzistan, and the head of a Governmental mission to take over the A.I.O.C. which he has bitterly criticised in recent years. Made Minister of the Interior, August 1951. Minister of Justice, December 1951, and Minister without Portfolio in February 1952.

Quiet little man with few friends. Appears inoffensive and ineffectual but showed some determination and even fanaticism in his dealings with the Oil Company in the summer of 1951.

13. Amiri, Javad

Born in Tehran 1895, from a Simnan family. Educated in Persia and France. Speaks French, and has studied law in Paris. Entered the service of the Ministry of Justice in 1914, and was for many years assistant to the French judicial adviser attached to the Ministry of Justice. Was a professor in the law school. In 1928 appointed president of the Tribunal of Commerce. President of the court of first instance in Tehran 1931-34. Director of the Department of Legislation in the Ministry of Justice in 1934. Went to Bagdad with Fathullah Nuri Isfandiari in December 1935 as legal and technical adviser in the abortive negotiations about the frontier, &c., with Iraq. Juridical Counsellor in charge of the Advisory Department of the Ministry for Foreign Affairs 1938. Administrative Director-General August 1938 and Under-Secretary January 1939 in that Ministry.

In charge of the Ministry for Foreign Affairs at the time of the invasion 1941. Minister of the Interior in Suhaili's Cabinet 1942, and later Minister of Justice; in the former post he was a disappointment, in the latter he was more at home but was soon replaced. Elected to the 14th Majlis from Simnan, December 1943. Re-elected to 15th Majlis 1947. Deputy for Simnan in Constituent Assembly April 1949. Successful in the first stage of the Senate elections in Simnan, autumn 1949. Deputy for Simnan in 16th and 17th Majlis. Member of the Majlis Oil Commission, June 1950.

Accompanied Qavam-us-Saltaneh on his mission to Moscow in February 1946.

A man of some influence in his capacity as technical adviser on legislation. Having been trained by the French legal advisers here, his ideas of law are somewhat different from those held by British lawyers.

Conscientious and hard-working, with a lawyer's capacity for rapid assimilation of detail. Amiable but weak.

14. Amir-Taimur Kalali, Muhammad Ibrahim

Born about 1895. Member of a well-known Khurasan tribe. Educated in Tehran. Elected to the Majlis in the time of Riza Shah, and again for Meshed in the 14th Majlis elections 1943 where he headed the poll. Vice-President of the Majlis 1944.

Was on Foundation Committee of Irano-Soviet Cultural Relations Society, March 1944.

In 1945 he showed an inclination to turn to the Embassy for support against Russian pressure.

Arrested August 1946 under Military Law Ordinance. Released after a short detention. Elected Deputy for Meshed in 15th Majlis 1947. Represented Meshed in Constituent Assembly April 1949. Unsuccessful candidate in 16th Majlis elections at Meshed. Minister of Labour under Musaddiq, May to December, 1951. Minister of Interior until 4th January, 1952, when he resigned to stand as a candidate for the 17th Majlis.

A rich landowner who smokes opium. A talkative demagogue, fond of working himself into passionate indignation about subjects which he does not understand. For instance, he opposed the Tripartite Treaty and caused the Furughi Cabinet a great deal of trouble. But he is amenable to argument, and, though vain, is not entirely without good ideas.

15. Ansari, Abdul Husain Mas'ud

The eldest son of the late Ali Quli Ansari (Mushavir-ul-Mamalik). Born 1899. Educated at Tehran and in Europe. Joined the Ministry for Foreign Affairs in 1920. Served for a number of years in the Persian Embassy in Moscow as secretary, and his rapid promotion was largely due to his father's influence. Counsellor at Moscow in 1927 and held that post till he was transferred to Tehran in 1931. Head of the Economics Section of the Ministry for Foreign Affairs in September 1933. Went to Germany as a member of the Persian Economic Mission to Germany in July 1935. Head of the Third Political Section (dealing with British affairs) 1936. Head of the Protocol Department November 1937. Consul-general, Delhi, May 1938. Minister to Sweden 1941. Returned to Tehran in 1944 and was appointed head of the Tripartite Pact Department in the Ministry for Foreign Affairs. Vice-president of Russo-Persian Cultural Relations Society March 1945. Appointed Governor-General of Gilan November 1945. Transferred to Isfahan October 1947. While Governor-General of Isfahan was markedly friendly to His Majesty's Consul and to the British Council there. He was always ready to furnish information to His Majesty's Consul and did not pretend to favour the "balanced" foreign policy *vis-à-vis* Russia and the West. Not a strong Governor-General, he made no secret of his wish to get back to diplomatic life. His smooth manner and lack of interest in local politics alienated some of the people among whom he worked.

Appointed Ambassador at Kabul, March 1949. Governor-General of Fars, December 1951.

Married a Russian in Moscow; the lady was suspected of being a spy; she died in Berlin in 1936 leaving one child, a boy. Married a Persian in 1937.

Speaks excellent Russian and French, German and fair English.

16. Aramish, Ahmad

Born about 1902. Has held various Government posts. June 1944 was in charge of all Accounts Departments in the Ministry of Finance factories. Acting Minister of Commerce and Industry June 1946—resigned September 1946. Set up the Labour Inspection administration in Khuzistan in June 1946 and became Secretary-General to the Democrat Party of Iran July 1946. Parliamentary Under-Secretary to the Prime Minister October 1946 when he resigned his secretaryship of the Democrat Party of Iran. Under-Secretary of State to the Ministry of Commerce and Industry late October 1946. Minister of Labour and Propaganda December 1946. Whilst Minister of Labour and Propaganda was strongly opposed by many of his Cabinet colleagues because of his efforts to collect party funds by irregular means which he was suspected of turning to his own advantage. His Ministry's programme of social reform was also extremely unpopular with certain Right-wing members of his party.

Omitted when Qavam re-formed his Cabinet in June 1947. Successful in 1st stage Senate elections in Tehran, October 1949. Founded a new party, Millyan-i-Democrat, restricting the powers of the monarchy. February 1951, but this has not made much headway.

Affable and energetic but garrulous, unreliable, immature and lacking political sense. Speaks fair English and French.

17. Arasteh, Nadir

Born about 1893, son of a Qajar prince. Governor of Pahlavi in 1928. Deputy-Governor of Azerbaijan in 1930-32. Governor of Khuzistan May 1932-August 1933. Has also served in the Persian Legation in London. Appointed minister to Poland December 1933. Appointed first Persian Minister to the Argentine Republic August 1935; presented his letters in October 1935. Recalled to Tehran October 1936; the post being abolished. In charge of the Consular Department of the Ministry for Foreign Affairs for a short while in 1937. Minister at Berlin August 1937. Accredited also to The Hague in 1939. Recalled from Berlin May 1940. Governor-General of Mazandaran January 1942 and of Gilan January 1943. Minister of Posts and Telegraphs November 1944 in Bayat's Government and for Communications under Hakimi in May 1945 and then in Sadr's Cabinet June to November 1945. Appointed Governor-General, Isfahan, May 1946, withdrawn October 1946.

Minister of Posts and Telegraphs under Hazhir June 1948, retained the portfolio under Sa'id November 1948, but exchanged it for that of Roads in March 1949.

Appointed ambassador at Moscow April 1949 and proceeded to Moscow in June.

Of unimpressive appearance, but friendly and intelligent. Speaks French, English and Russian.

18. Ardalan, Dr. Ali Quli

Born about 1900; brother of Amanullah Ardalan. Served mostly under the Ministry for Foreign Affairs in various posts from 1922. Secretary at Washington 1932 where he had a dispute with Ghaffar Jalal, the Minister. Counsellor at Vichy after the collapse of France in 1940. Returned to Tehran 1942 and was in charge of the English Section of the Ministry for Foreign Affairs for more than a year, fulfilling his duties with efficiency. Counsellor at Angora 1943. Under-Secretary for Ministry for Foreign Affairs in December 1948. Acting Minister for Foreign Affairs on appointment of Ala February 1950. Head of Persian delegation at U.N., August 1950.

Speaks English. Very helpful to us at the Ministry for Foreign Affairs.

19. Ardalan, Amanullah (Haji Izz-ul-Mamalik)

Born about 1888. Son of Haji Fakhr-ul-Mulk of Kurdistan. Educated at Tehran. Elected a Deputy to the 2nd Majlis through the influence of his father, when the latter was Governor of Arabistan. Served first in the Ministry of Finance. An active member of the Democratic Party and elected to the 3rd Majlis from Kermanshah. A pro-German during the war of 1914-18, he left Persia for Turkey at that time. After the war he became financial agent for Kerman through bribing Akbar Mirza, the Minister of Finance, and made a good thing of that post. Financial agent for Fars 1922-23. A member of the 5th Majlis. A close friend of Sulaiman Mirza and the Socialists. Minister of Public Works in Sardar Sipah's Cabinet of October 1923. Resigned April 1924. Again employed under the Ministry of Finance in Kerman and Fars. Governor of Astarabad 1928; of Luristan, &c., in 1932, of Gilan in 1933, and again of Luristan in 1934, of Bushire and the Gulf Ports 1935; and Governor-General of Kerman in May 1936. Recalled in August 1937.

Governor-General of Azerbaijan (West) at the time of the invasion 1941; fled precipitately to Tehran when the Russians advanced, fearing that revenge would be taken on him for various anti-Russian measures which he had been ordered to take. Then Director-General of Ministry of Finance and Governor of Isfahan in 1942. Minister of Public Health in Suhaili's Cabinet of February 1943. Minister of Finance in Suhaili's revised Cabinet of December 1943. Minister of Commerce and Industry in Sa'id's Cabinet March 1944, but dropped in August 1944. Returned to Cabinet under Bayat in November 1944, resigned April 1945. Minister of Justice in Hakimi's Cabinet November 1945 to January 1946. Appointed Minister of Roads and Communications in Hakimi's Cabinet March 1948. Governor-General, Fars, June 1948. Appointed Minister of Finance in Hazhir's Cabinet of June 1948 but declined to leave Fars. Deputy for Sanandaj (Kurdistan) in Constituent Assembly April 1949 and successful in first stage Senate elections there in autumn 1949.

Appointed Minister of the Interior in the reshuffle of Mansur's Cabinet at the end of April 1950. Resigned with Mansur, June 1950. Minister of Interior under Razmara, November 1950, until latter's assassination in March 1951.

Is the sort of professional politician who is always likely to turn up as a candidate for ministerial office. His reputation for honesty is not particularly good, but it is not as bad as some; he is not a very forceful personality, but knows the ropes. Observes the fast in Ramadan. Speaks French and some English.

20. Ardalan, Nasir Quli

Born in Tehran 1896. Third son of the late Haji Fakhr-ul-Mulk, who was a court official; his mother is the daughter of Izz-ud-Dauleh and granddaughter of Muhammad Shah. Educated at Tehran and in Belgium. Spent a year in London learning English. Returned to Persia 1915 and entered the service of the Ministry of the Interior, where he served for fifteen years. Served at Governor of Daudangh in Mazandaran, of Firuzkuh, and in Khuzistan as Acting Governor. Then was Governor of Sari, Acting Governor of Mazandaran and Governor of Simnan. Governor of Muhammerah (Khorramshahr) in 1925, and Governor of Abadan in 1930. Employed in the National Bank since 1931.

Elected Deputy for Sinneh in the 14th Majlis elections of December 1943. Deputy for Sanandaj in 15th and 16th Majlis.

A member of Mixed Oil Commission, May 1951, and of that body's three-man delegation to Khuzistan, June 1951. Intelligent and capable.

21. Arfa', Hasan, Major-General (Sarlashkar)

Born about 1890, the eldest son of the late Prince Riza Arfa (Arfa-ud-Dauleh). Educated in Russia and France: his mother, now mentally deranged, being a Caucasian. Joined the Ministry for Foreign Affairs in 1907 as secretary to the Persian Consulate at Tiflis. Secretary at the Persian Legation at St. Petersburg in 1908. Joined the gendarmerie in 1911; and has been in the army since then. Commanded the crack cavalry "Pahlavi" Regiment in 1931. Has served as military attaché in London for a short time, and has been a prominent officer in the new army. Accompanied the Shah on his State visit to Turkey in 1934. In 1935 on the General Staff, in charge of a training school. Persian delegate to the Zahidan Conference in 1935, where, no doubt under strict orders, he took an extremely nationalistic and anti-British standpoint.

Officially attended Ataturk's funeral in 1938. Promoted brigadier-general April 1939. Inspector of Cavalry 1942. Commanding the 1st Division 1943.

Appointed Chief of the General Staff December 1945. Worked hard to resist "Tudeh" activities and had some success in organising resistance to the Azerbaijan Democrats and their independent Government in Tabriz. In consequence, he incurred enmity of the pro-Russian groups and when Qavam took office in February 1946 with the task of restoring good relations with Russia, Arfa was at once relieved of his post. Arrested April 1946 by order of Qavam-us-Saltaneh. Released October 1946. In 1947 started "Asia Society" aiming at co-operation between Middle East States.

Speaks French, English, Turkish and Russian. He is married to an Englishwoman, *née* Bewicke. Intelligent and outspoken but at times rather a firebrand. Despite his rather uncertain judgment and temper he might possibly make a come-back as a political soldier.

Brought in as Minister of Roads by Ala, 4th-27th April, 1951; considered nominee of National Front.

22. As'ad, Muhammad Taqi (Amir-i-Jang)

Born about 1906, son of the late Sardar As'ad: a Bakhtiari Khan imprisoned with other tribal leaders under Riza Shah, released in September 1941. Owns properties near Dizful from where he was elected Deputy for the 14th Majlis. Was from the beginning one of the most loyal supporters of Sayyid Zia. Successful in the first stage Senate elections at Bihbahan, autumn 1949. Honest, patriotic and much opposed to the spread of Soviet power, but of very little influence.

23. Asadi, Salmaa

The eldest son of the late Muhammad Vali Asadi, mutawalli of the shrine at Meshed, who was shot for treason in 1935. Born about 1896. Educated at the American College, Tehran; spent a few years also at Cambridge and in London; speaks English. Owing to his father's influence elected to the Majlis as member for Sistan for the seventh and eighth sessions.

Served for a short time in the News Section of the Ministry for Foreign Affairs, as a translator. In charge of the Department of Propaganda 1941 to March 1942. Under-Secretary at the Ministry of Food 1942 and worked hard to ensure the food supply of Tehran with Mr. Sheridan in the famine winter of 1942-43. Under-Secretary of State, Ministry of Finance and head of the Rice Monopoly April 1944. Member of Economic Section of Qavam's Mission to Moscow February 1946.

Appointed chairman of the Industrial Bank October 1946. Minister of Labour June to September 1947. Elected to 15th Majlis for Meshed.

Well-read and intelligent; but an intriguer. Has some good ideas but is indiscreet and given to misstatement and flattery. Tends to misrepresent our views.

During the last few years has consistently worked for Qavam-us-Saltaneh's return to power.

24. Ashrafi, Ghulam Husain

Related to Ali Suhaili.

After being Director-General Ministry of Commerce and Industry he became Under-Secretary of State in Prime Minister's office. A member of the National Bank Supervisory Board 1945. Appointed Governor-General, Khurasan, and Deputy Guardian of the Shrine at Meshed in July 1946; was recalled when the two posts were separated in April 1948. Minister of National Economy under Hazhir in September 1948, and again under Sa'id in November 1948. Dropped, January 1950. Mentioned as Governor-General, Gilan, in March 1951 but did not proceed.

Speaks good French. Amiable but weak; not averse to using his official position for private gain.

25. Azudi, Yadullah (Amir A'zim)

Born in Tehran about 1890. The son of the late Nusratullah Mirza, and a grandson of Vajihullah Mirza Sipahsalar who was the grandson of Fath Ali Shah. Inherited large estates from his father, all of which were situated in the neighbourhood of Damghan and Shahrud. Educated in Persia; has spent some years in Europe. Married first a daughter of Hasan Pirnia (Mushir-ud-Dauleh), who died a few years later; he then married a daughter of Vusuq-ud-Dauleh (Hasan Vusuq).

Entered the Ministry for Foreign Affairs in 1920. First secretary of the Persian Legation at Berlin in 1928, and for some time was Chargé d'Affaires there. Chef de Personnel at the Ministry for Foreign Affairs 1929-30. Counsellor at Washington 1931, and acted as Chargé d'Affaires there. Minister at Warsaw in March 1933; but recalled to Tehran as the result of some scandal dating from his Washington days the following December. Chief of the Passport Section of the Ministry for Foreign Affairs August 1935. Administrative Director-General of the Ministry March 1937 until November 1937. Minister of Roads under Qavam-us-Saltaneh 1942, and did well in that post. Resigned early in 1943 partly owing to accusations of nepotism; appointed Minister to Brazil, and proceeded thither July 1943. Replaced, March 1949. Minister to the Argentine, August 1950.

Speaks French and German, and usually very helpful and forthcoming.

26. Badir, Mahmud

Younger brother of the late Abdul Wahhab Badir. Born in 1893. Educated in England (Harrow and Cambridge). Has been in the service of the Ministry of Finance since 1910. Assistant to the Accountant-General at the Ministry of Finance for a number of years. Chief Accountant of the Ministry of Public Works October 1928. In the same capacity in the Ministry of Roads and Communications 1930. Director-General of the Ministry of Finance 1933. President of the Persian Economic Mission to Germany in July 1935. Succeeded Abul Qasim Furuhar as Under-Secretary to the Ministry of Finance in April 1936. Appointed Acting Minister of Finance on the death of Davar in February 1937. Minister of Finance September 1937 until October 1939.

Minister of Finance in Suhaili's Cabinet 1942, and in that capacity showed himself helpful in

smoothing over financial difficulties and in negotiating currency agreements. Minister of Industry in Suhaili's Cabinet of 1943, but was not very successful in settling various wages disputes, and on Suhaili's forming a new Cabinet in December 1943 he was not included in it.

Minister of Finance in Sadr's Cabinet, June-September 1945. Capable and helpful but exposed to criticism for failing to suppress corruption and for introducing nepotism which, it was alleged, flourished in his Ministry on an excessive scale even by Persian standards.

Appointed Head of the Shrine Office at Meshed April 1948. Replaced, March 1951.

Successful in first stage of Senate elections in Kazirun (Fars), autumn 1949.

Speaks very good English.

27. Bahrami, Farajollah (Dabir-i-A'zam)

Born about 1890. A member of a well-known and numerous Tehran family. Munshi or secretary to Riza Shah before and after his accession to the throne in 1925. Was appointed member of a commission of examination in connexion with the Lionosoff Caspian Fishery claim, but resigned from that position.

Lost the Shah's full confidence in about 1927, and was sent abroad to take charge of the Persian students in Europe, at Paris, Berlin, &c. Returned to Persia about two years later. In July 1930 appointed Governor of Isfahan, and a year later Governor-General of Fars. Minister of Posts and Telegraphs in March 1932. Resigned on the fall of the Hidayat Cabinet in September 1933, and was sent to Meshed as Governor-General in the following January. Superseded as Governor-General of Khurasan in October 1934, for reporting that adequate facilities did not exist at Meshed for the accommodation of the orientologists attending the Firdausi millenary. Since that time under a cloud. In the summer of 1935 he was suspected of complicity in some plot and was exiled to Malayir. Allowed to return to Tehran under surveillance, October 1936.

Minister of the Interior in January 1943, but he very soon became involved in a quarrel with his chief, Qavam-us-Saltaneh, which led to the collapse of the latter's Cabinet. Is very alarmed at the Soviet menace to the independence of Persia. Governor-General of Isfahan 1943-44. Successful in first stage of Senate elections in Tehran, October 1949.

A very friendly person, who always appears to do what he can to help British consular officers. Has great aspirations to literary eminence; a great admirer of Hafiz. As Minister he incurred some criticism from his fellow-countrymen for inaccessibility and lack of hospitality. Speaks very little French. Businesslike and hard-working.

28. Bahrami, Fazlollah

Born about 1897. For some time a colonel in the police, and in charge of the detective force. Acting chief of the Tehran Municipality in 1937. Director of Census and Civil Status January 1938.

Minister of Posts and Telegraphs in Suhaili's Cabinet of 1942 and filled that post adequately. Head of the municipality again July 1943; suspended from his functions during the Tehran elections at the end of 1943 owing to accusations of illegal intervention in the elections, but resumed his functions January 1944.

Governor-General of Kerman 1944-45 where he showed great initiative by organising various schemes for improving water supply, raising money for orphanages, &c.—popular there. Offered post of Governor-General, Kermanshah, in August 1945 but refused. Governor-General, Kerman, again January 1949 until August 1949 when he became

Governor-General of Khuzistan. Offered Ministry of the Interior by Razmara, June 1950, but refused. Replaced in Khuzistan following weakness in dealing with anti-A.I.O.C. strikes, April 1951.

Health undermined by malaria. Friendly and co-operative when in Kerman. Normally reserved and placid but clever and not easily taken in.

29. Bakhtiar, Abul Qasim Khan

Born 1915. Son of the late Amir-i-Mufakkhham. Educated in England. Governor of Kashan 1941-42. Set up as a rebel leader in Janiki in March 1942, but three months later surrendered to General Zahidi, who appointed him and Manuchihr Khan As'ad as army representatives responsible for order in Bakhtiari. Rebelled again after Zahidi's arrest, but was arrested in 1943 and went to Tehran. In 1946 appointed by Qavam-us-Saltaneh as Co-Governor of Bakhtiari, and shortly afterwards entrusted with the formation of Qavam's Democrat Party there. Ordered to Tehran at the end of 1947 he refused, took to the hills, and after a short scuffle was once again arrested in April 1948. He was tried and condemned to three months' imprisonment and two years' banishment from tribal country, but his sentence was remitted by the Shah.

Intelligent and plausible, but ambitious and unreliable. He did not hesitate to turn King's evidence for purely personal motives on the outbreak of the tribal revolt of September 1946 of which was one of the ringleaders himself. His behaviour in the 1946 tribal revolt caused us a good deal of trouble. About a year ago he went through an elaborate process of apology and reconciliation with us and now considers himself to be our friend.

Member of the Committee of the Persian Partisans of Peace, July 1950—according to him, because of his personal friendship with Bahar. Resigned when appointed Governor-General of Kurdistan in March 1951. Relieved of his post in Musaddiq's pre-election shuffle in January 1952.

30. Bakhtiar, Aqa Khan

Born 1908, fifth son of Sardar Muhtashim. Educated in England and speaks good English.

No actual experience of tribal affairs in the tribe as opposed to intrigue in Tehran or Isfahan.

Deputy for Shahr Kurd in 15th Majlis. Appointed Director of the Agricultural Bank, July 1951, but has remained friendly and helpful.

31. Bakhtiar, Jahanshah Samsam

Born 1910, the second son of Murtiza Quli Samsam by his second wife, a sister of Sa'adat-ud-Dauleh Qashqa'i. Is more of a tribesman than his brothers and has had more tribal experience than they. After his father he has probably more influence than any other of the Ilkhani Khans in the tribe and of all the Khans comes second to Abul Qasim.

In 1943 was awarded the Humayun medal, 1st class, for arranging a meeting between the Qashqa'i Khans and General Jahanbani. Always friendly with British, he was presented with a silver tray at the end of 1945 in appreciation of the hospitality he had shown to British officials during the war.

Farmandar of Shahr Kurd and Deputy Governor of the Bakhtiari June 1944. Joint Governor of the Bakhtiari with Abul Qasim in July 1946. Arrested by Qavam who dismissed him in September 1946 for complicity in the plot by Bakhtiaris and Qashqa'is to rise against the Central Government. Governor (Farmandar-i-Kul) Kurdistan, March 1949, until January 1950, when promoted Governor-General, Kermanshah where he did excellent work in making the administration more honest and more efficient. Obligated to resign by Musaddiq, May 1951.

Active, patriotic and comparatively honest, but not very clever.

32. Bakhtiar, Manuchihr As'ad

Born 1905, sixth and youngest son of Haji Ali Quli Khan, Sardar As'ad (buzurg). Married to a daughter of Murtiza Quli Samsam.

Arrested with his brothers in 1933 by Riza Shah and condemned to ten years' imprisonment. Was released in 1941 on Riza Shah's abdication. When in prison formed a friendship with Dr. Yazdi, the Tudeh leader. On the strength of this became (without success) Tudeh candidate for Isfahan in the 14th Majlis elections 1943. Took up with Sayyid Zia-ud-Din the following year only to quarrel with him later. Worked against the Tudeh in Isfahan in the winter of 1945-46. Co-Governor of the Bakhtiari with Abul Qasim November 1947, and sole Governor after arrest of Abul Qasim in April 1948. Recalled June 1949.

33. Bakhtiar, Murtiza Quli Samsam

The son of the famous Samsam-us-Saltaneh. Born probably about 1875. Took part in operations against Salar-ud-Dauleh in 1911. Represented the Bakhtiari tribe in the Majlis in the same year, and appointed Ilbeggi of the tribe in 1912. Governor of Yezd in 1914. Helped the Germans during the war 1914-18. Made his peace with the British Legation after the war. Has held the appointment of Ilbeggi or Ilkhani of the tribe on several occasions. Was with the tribe when most of the Bakhtiari Khans were arrested in December 1933; he then had the appointment of Ilkhani. He escaped the fate of his fellow khans, and has assisted the Government in their policy of inducing the Bakhtiari tribe to abandon their traditional nomadic habits. Appointed Governor of Bakhtiari early in 1943 and did well, suppressing various upstarts like Abul Qasim and establishing order in that tribal area, thereby serving British interests well during the war. By the end of 1945 he had, however, become unpopular with the other tribal khans and he was relieved of his appointment by Qavam-us-Saltaneh. Arrested in September 1946 for complicity in joint Bakhtiari-Qashqa'i rising. Released December. Deputy for Shahr Kurd in Constituent Assembly April 1949.

A clever man, not above intrigue. Quick-tempered, jovial and obstinate. Served Riza Shah well. Very pleasant to meet, but not the sort of man one can trust very far, as he is very much in the hands of his strong-minded wife and also places implicit trust in a worthless agent, Misbah Fatimi.

34. Bakhtiar, Dr. Shahpur

Born 1909. Elder son of Sardar Fatih. Educated and obtained his doctorate in France where he lived for sixteen years and served with the French Resistance Forces during the war. On return to this country was appointed in 1946 as Director of Provincial Labour Office in Isfahan. Aroused opposition from factory owners by trying to implement labour legislation too enthusiastically. Factory owners succeeded in obtaining his transfer from Isfahan, and early in 1947 he was appointed Director of Provincial Labour Office in Abadan. Was unsuccessful candidate in opposition to official Government candidates for 15th Majlis for Isfahan. Contested Khorramshahr unsuccessfully in 16th Majlis elections, October 1949, and in the same month was relieved of his post as Director of Labour.

In Abadan worked hard to improve industrial relations and preserve industrial peace. Conscientious and apparently strictly honest. Relations with Anglo-Iranian Oil Company were on the whole good.

Speaks French and a little English. Is an intense nationalist and professed anti-Communist.

35. Baqa'i, Dr. Muzaffar

Born about 1911. Son of Mirza Shahab Kermani, a schoolmaster of Kerman. Received a degree in

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philosophy from the Ecole Normale Supérieure de Saint Cloud, Paris, and afterwards spent some time in France. Entered the service of the Ministry of Education and became Director of Education in Kerman in August 1944.

Was a member of Qavam-us-Saltaneh's Democrat Party in 1946 and became Deputy for Kerman to the 15th Majlis. In September 1949 was the guiding force behind a new paper called *Shahid* and quickly got into trouble with the General Staff for attacks on the army. He was one of the founders of the National Front and, with other members of it, was elected Deputy for Tehran to the 16th Majlis. Engaged with other members of the National Front in violent abuse against the Anglo-Iranian Oil Company and other British interests. In May 1951 he formed the Toilers' Party in the hope of organising some labour support for Musaddiq's Government. The party does not seem to have taken on and his chief contribution to Persian politics has been a gang of toughs who have been used to intimidate National Front opponents and break up their premises. In October 1951 he accompanied Dr. Musaddiq to America, thus incurring the jealousy of Makki and others who remained behind. Elected Deputy for Tehran in the 17th Majlis.

An ambitious man with less of a reputation for dishonesty than many of his colleagues such as Fatimi and Makki.

36. Bayandur, Ghulam Husain, Captain

Elder brother of Ghulam Ali Bayandur. Was a captain in the army until 1930, when he went to Italy on a course of naval engineering. Returned in 1934, and was appointed engineer officer of the southern naval force. Promoted major in 1935. Port officer of Abadan and Khorramshahr in 1936. Lieutenant-colonel, 1938. Transferred to General Staff 1944 and was Head of the Naval Directorate, until 1950. Commander of Armed Customs Guards, 1951.

Keenly interested in mercantile affairs, and helped to float the monopoly company for the landing of cargo in the port of Khorramshahr in 1937. Unpopular with his subordinates. Quick and hot-tempered, but less so than formerly. Uses his position for his financial advantage. Not very intelligent, but hard-working. Speaks French and Italian.

37. Bayat, Murtiza Quli (Saham-us-Sultan)

A landowner from Sultanabad, born about 1882. Owns considerable property. Member of the Majlis on several occasions, and Minister of Finance 1926-27. Deputy Speaker of the 10th Majlis. Member of the Adalat party 1942. Accused of hoarding wheat during the winter of 1942-43. Minister of Finance in Suhaili's Cabinet 1943 and performed the useful function of effacing himself completely in favour of Dr. Millspaugh. Not included in Suhaili's revised Cabinet of December 1943.

Minister without Portfolio in Sa'id's Cabinet March-August 1944. Prime Minister November 1944-April 1945. He sought to improve relations with the Russians but his efforts only resulted in the paralysis of the administration of the country. Sent as Governor-General to Tabriz in December 1945 but failed to do anything to check the Azerbaijan independence movement and soon returned to Tehran. Joined Qavam's Cabinet in February 1946 as Minister of Finance, but was not included when Cabinet was re-formed in August 1946. Deputy for Arak in Constituent Assembly April 1949. Elected Senator from Hamadan, autumn 1949, and elected First Vice-President of the Senate on its inauguration, February 1950. Member of Mixed Oil Commission, May 1951.

Speaks a little French. Stupid.

38. Bihbahani, Mirza Sayyid Muhammad

An aged divine wielding great influence in Tehran, especially among the old-fashioned type of bazaar merchant. He has the reputation of being quite unscrupulous and corrupt, ready to sell his influence on the bazaars to the highest bidder. Believed to have some close connexion with the Shah and to accept monetary payments from him.

39. Bihnia, Abdul Husain

Aged about 48. Educated in France. Most of his career as a civil servant has been passed in the Ministry of Finance where he was senior Under-Secretary for several years until 1950. He then became President of the Exchange Control Commission.

He has the reputation of being a realist and sound administrator. He is a man of few words and quick decisions, capable of quickly grasping the essentials of financial and economic problems. He mistrusts the Russians and seems prepared to be friendly and helpful towards the British rather than the Americans. He is reliably reported to be corrupt. Hitherto he has been clever enough to avoid serious attacks on this score, but he has recently run into trouble. Speaks French fluently, but no English. Is unmarried.

40. Bushihri-Dihdashti, Aqa Javad (Amir Humayun)

Born in Tehran 1898. Second son of the late Haji Muin-ut-Tujjar. Educated at Tehran and in Europe. Speaks French and English. Married a daughter of the late Haji Amin-uz-Zarb. One of his sons, Jehangir, is an official of the International Bank. Elected a Member of the 7th Majlis.

Was in Hamburg at the outbreak of the war in 1939, and spent some time in Germany thereafter. Finally got away to Istanbul in 1942 with the help of Count Schulenburg and returned to Tehran March 1943. Arrested and sent to Sultanabad as a suspect in June 1943. Released May 1945. Appointed Governor-General of Fars October 1946 with approval of the Qashqa'is but only held the appointment for a few months.

Minister of Posts and Telegraphs under Qavam-us-Saltaneh September-December 1947 and Minister of Agriculture under Hazhir June 1948. Deputy for Bushire in Constituent Assembly April 1949. Successful in the first stage of the Senate elections in Bushire but elected a Senator from Tehran, October 1949. Minister of Roads under Musaddiq, May 1951 (first introduced as Minister of National Economy). Member of Persian negotiating team in oil talks with Harriman and Stokes, July-August 1951.

A lightweight with little influence.

41. Daftari, Dr. Abdullah

Brother of Dr. Matin-Daftari. Educated at the American School in Tehran.

Was on the Majlis staff until 1933 when he was transferred to the Ministry of Finance under Davar, at whose suggestion he later went to Germany to study economics. Returned to Persia soon after the outbreak of war in 1939.

Worked in the Mortgage Bank for a time. Deputy Governor of the Bank Milli, 1943-50. Minister of National Economy under Razmara, October 1950-March 1951. Government representative at the International Labour Conference at Geneva, June 1951, where he made an anti-British speech. Nevertheless, he is usually friendly.

Not a strong character but is fairly sound on financial matters and proved a good administrator in the Bank Milli. He has a very attractive Shirazi wife.

42. Dashti, Ali

Born about 1887. Educated in the schools of the Holy Places of Iraq. Returned to Persia about 1922 and edited a paper called the *Shafaq Surkh*. As an editor he became notorious for slanderous abuse and the extortion of money by blackmail, and his abuse of Great Britain and British statesmen was frequently the subject of complaint from His Majesty's Legation to the Persian Government. He was elected a Deputy to the 5th Majlis in 1924, but he was refused a seat by the Parliamentary Commission, whose duty it was to scrutinise his election proceedings. He was prominent in the abortive Republican movement in 1924, and is said to have received and pocketed large sums from Riza Pahlavi, on whose behalf he worked. He espoused the cause of Riza Pahlavi against Ahmad Shah, and was elected a Deputy to the 6th Majlis in 1926. He was invited to Moscow in October 1927 to attend the tenth anniversary of the Soviet régime. From Moscow he went to Berlin and Paris and returned to Persia early in 1928. He was elected a Deputy to the 7th Majlis in 1928 and to the 8th Majlis in 1930.

Edited or controlled his paper till about July 1935, receiving subsidies now from the Shah and now from the Soviet Embassy.

In July 1935 he fell into disgrace and was said to have uttered disparaging remarks about Riza Shah's régime. His paper was suppressed and he himself was allowed to plead sickness and to retire to a Government hospital where he was made to pay well for his maintenance.

At liberty again at the end of 1936. In charge of the Press Bureau of the Ministry of Interior in 1937.

After the fall of Riza he returned to the foreground of Tehran politics. A severe critic of Furughi and Suhaili in 1942, he worked hard for the return of Qavam-us-Saltaneh as Prime Minister. When the latter came back to power and did not make Dashti a Minister, he turned against him and criticised him in many speeches.

Elected to 14th Majlis in 1943. In the oil crisis of 1944 he opposed the spread of Russian influence in Persia and strongly supported the "resistance" Cabinets preceding Qavam-us-Saltaneh's. Was consistently attacked by Tudeh press during this period. Arrested May 1946. Released December 1946.

Did not obtain a seat in 15th Majlis. Presented credentials as ambassador in Cairo December 1948. Successful in the 1st stage of Senate elections in Tehran and Bushire, autumn 1949. Returned to Tehran, early March 1951, and became Minister without Portfolio under Ala later the same month Shah's special ambassador to Jordan on the cancellation of his State visit, April 1951. Appointed by the Shah Senator for Kerman, April 1952, after a period of assiduous cultivation of the imperial family.

He appears to have no scruples and no principles. Trusted little, even by his friends, who regard his excessive attachment to women (which he publicly displays) as not in keeping with high office.

A persuasive orator who held the attention of the Majlis as few others could.

43. Divanbaigi, Aqa Riza Ali

Born in Kurdistan about 1891. Educated in Persia. In the employ of the Ministry of the Interior for some years. Went to Turkey with the Nationalists during the war. "Chef de Cabinet" to the Governor-General of Kirman when Taimurtash was in charge there. A member of the 6th, 7th and 8th Majlises. Governor of Gilan in 1931. Resigned in 1933, and appointed Governor of Mazandaran in October 1934; relieved early in 1936. Governor-General of Khuzistan July 1942 and showed some energy, but is reported to have lined his pockets pretty thoroughly in connexion with certain contracts. Recalled early

1943. Governor-General, Gilan, October 1947-February 1950, when nominated Senator for Kermanshah.

Speaks French. Agreeable to talk to, but unreliable. Related to the Qaraguzlu family.

44. Farhudi, Dr. Husain

Born about 1899. Son-in-law of Vahid-ul-Mulk Shaibani. Educated in Tehran. Served in various capacities in the Ministry of Education, at Tehran and in the provinces. Has also done newspaper work. One of the Directors-General of the Ministry 1943. Successful candidate for Dasht-i-Mishan and Susangird in the 14th Majlis 1943. Arrested by Qavam-us-Saltaneh December 1946. Released January 1947. Deputy Prime Minister in Hakimi's Cabinet December 1947. Represented Dizful in Constituent Assembly 1949. Deputy for Dizful in 16th Majlis. Successful in first stage of Senate elections in Tehran, autumn 1949.

During various absences of Abbas Mas'udi in 1951 and 1952 exercised general supervision over *Ittila'at*.

Speaks French. A man of considerable intelligence who is skilled at trimming his sails to the wind. Well-disposed towards us.

45. Farmand, Hasan Ali (Zia-ul-Mulk)

Born near Hamadan, 1886. Of the Qaraguzlu family. Educated partly in France; speaks French.

A large landowner, was Deputy for Hamadan in the 7th Majlis (1928), three times between 1933 and 1943 and again in the 14th Majlis (1943). Minister of Agriculture under Ala, March 1951, and retained this post under Musaddiq, May 1951.

Pleasant to meet but rather colourless and timid. Limited in outlook and not very practical.

46. Farrokh, Mihdi (Murtasim-us-Saltaneh)

A Sayyid. Born about 1887. Was for some years in the employ of the Ministry for Foreign Affairs and head of the 2nd Political Department, dealing with eastern countries. Minister at Kabul in 1927-28. Subsequently Director-General of Industry. Governor of Western Azerbaijan February 1936. Again Director-General of Industry and Mines September 1937 and shortly afterwards raised to the newly-created appointment of Minister of Industry and Mines. Removed from this post without explanation March 1938.

Governor-General of Fars 1940, and of Kerman in 1941. Minister of the Interior of Suhaili's Cabinet July 1942 and in spite of Majlis opposition maintained his place in the Cabinet. Qavam-us-Saltaneh, in August, made him Minister of Food, in which post he displayed a sort of crazy activity which irritated many and did not achieve much. Having fallen out with the American adviser Sheridan, he left the Ministry of Food on the fall of the Qavam Cabinet in February 1943. Elected a Deputy for Zabul in the 14th Majlis November 1943.

Appointed Governor-General of Fars December 1945 but was recalled in February 1946. Presented credentials as ambassador at Nanking November 1948. Arrived in Tehran, December 1949, after withdrawal of mission. Appointed Chief of Police at the end of May 1950; replaced on fall of Mansur Cabinet, June 1950. Nominated Senator for Azarbaijan, December 1950.

Was prominent in opposition to Musaddiq in the first half of 1952, and displayed considerable courage. Hates Qavam-us-Saltaneh.

47. Fatih, Mahmud

Brother of Mustafa Fatih. Born about 1900 at Isfahan and educated at Tehran and at Montpellier. Trained in agriculture and husbandry. In charge of the Karaj agricultural school for some years.

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Under-Secretary at the Ministry of Agriculture 1943. Has planned a model village at Viramin, of which he is very proud. Minister of Agriculture in Sa'id's Cabinet March 1944 but only retained office for a few days. Member of Directing Committee of the Seven-Year Plan, 1947. Governor of Agricultural Bank, December 1950 to June 1951.

Helpful and business-like, though inclined to be too optimistic and to imagine that all Persia's agricultural difficulties can be solved by tractors.

48. Fatih, Mustafa

Born in Isfahan about 1897. Son of Fatih-ul-Mulk, a servant of the Prince-Governor of Isfahan, Zill-us-Sultan. Educated at Tehran and at Columbia University, United States, where he graduated in economics. Entered the Anglo-Persian Oil Company about 1922 and is the senior Persian official in that company drawing a large salary. Author of a book on the economic condition of Persia published in 1926. Appointed Assistant General Manager (Adm.) of A.I.O.C. at Abadan in February 1947. When the last of the British had left he was quickly retired by the National Iranian Oil Company.

Has a perfect command of English and is keenly interested in Persian politics. In 1943 founded the Hamrahan Party with a reform programme; the party had faded out by 1945. He also has an international outlook and a considerable knowledge of world politics, particularly those of the Left. Intelligent, friendly and very approachable. Is a mine of information about the foibles of his own countrymen. Since his appointment as Assistant General Manager he was a focus of mischief and pointless intrigue. He supported the Anglo-Iranian Oil Company well, however, once the nationalisation issue was raised, but has had to lie low since nationalisation was completed.

Has a son in England and a daughter formerly married to Asghar Mirza, the son of Sarim-ud-Dauleh. His wife was daughter of the Zill-us-Sultan's head secretary, Siraj-ul-Mulk.

49. Fatimi, Dr. Husain (Saifpur)

Born c. 1915 of a Na'in family. Educated at the Stewart Memorial College, Isfahan, and worked for a time in the reading-room of our consulate there. After the war went to Paris and took a doctorate in law there. On his return to Tehran took over the editorship of *Bakhtar* from his elder brother.

An early supporter of the National Front and Dr. Musaddiq, he took "bast" with the latter in the Palace as a protest against the 16th Majlis elections in Tehran, October 1949. Conducted violent press campaign against the A.I.O.C. from the time of the Supplemental Oil Agreement; bitterly opposed to Razmara. Appointed Political and Parliamentary Under-Secretary to Dr. Musaddiq when he became Prime Minister, May 1951; also supervises Propaganda Department. Deputy for Tehran in the 17th Majlis.

Speaks French. A dangerous and venal intriguer. He was shot at and severely wounded by one of the Fidayan-i-Islam in February 1952.

Left Persia for medical treatment in Germany on 28th May, 1952.

50. Fatimi, Mihdi (Imad-us-Saltaneh)

Born about 1886. Has had an official career in the Ministry of Finance and in 1918 was financial representative in his native city of Isfahan, where he is influential both through his own family and through that of his wife, who is a daughter of the late Prince Zill-us-Sultan. Appointed Deputy-Governor of Fars in 1922-23. Elected a Deputy from Isfahan in the 5th and 6th terms of the Majlis. Appointed Minister of Education in August 1925.

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Minister of Justice in December 1925 and Minister of Interior February to May 1927.

As a Minister and a Deputy he was uniformly popular and successful. In 1928 he fell out with the Minister of Court and was not allowed to be elected to the 7th term of the Majlis. Elected a Deputy to the 8th Majlis 1930. Governor of Gilan from December 1933 until October 1937.

Head of the Municipality of Tehran under Suhaili's Cabinet February 1943. Resigned 1943 and elected Deputy for Na'in 1943. One of the leaders of the Ittihad-i-Milli group in the 14th Majlis which contained about twenty Right-wing members.

Appointed Governor-General of Fars in March 1946. Recalled during the Qashqa'i revolt in autumn but reappointed February 1947. Recalled May 1947. Elected Senator for Isfahan October 1949.

Speaks a little French.

51. Fatimi (Nasrullah), Saifpur

Born about 1905, one of four brothers, a Naini family which claims relationship with Mihdi Fatimi (Imad-us-Saltaneh), though the latter denies it. Educated at the Stuart Memorial College, Isfahan, where he became a baptised Christian; but he made away with some of the mission funds and the mission do not forgive him. He and another, named Husain Saadat, wrote a book against Islam. In order to marry his present wife, who is well off, became a Bahai.

Farmandar (Governor) of Shiraz 1941-43; then resigned, apparently because he had amassed too much money there. His Majesty's Consul, Shiraz, considered him energetic, helpful and capable. Then returned to Isfahan as candidate for the 14th Majlis for Najafabad, and though he had little real following in that area success was engineered for him by Murtiza Quli Bakhtiari and Sarim-ud-Dauleh. Intelligent, entirely unscrupulous, and very ambitious; speaks good English and has studied English and English literature, and can remember many extracts. Has many enemies, both Persian and British, but is a man who can, when he wishes, make himself very useful. Was largely responsible for organising the anti-Tudeh Workers' Union in Isfahan.

Before Qavam came into power in 1946, he pretended to be passionately opposed to him (a ruse enacted to please the British). In fact he almost certainly supported him as was shown by an article appearing in his brother's paper *Bakhtar* on the day that Qavam was elected. (Originally he ran *Bakhtar* himself in Isfahan.)

After the demise of the 14th Majlis he went on a visit to the United States, where he has remained as a professor at Princeton University.

52. Fidakar, Taqi

Born about 1905 in Isfahan of humble origin. Educated at the Sarimiyyeh school in Isfahan. Trained as a lawyer. Worked for a time in the Soviet Consulate General at Isfahan in connexion with the sale of Soviet textiles in Isfahan. From 1940 onwards devoted most of his energies to improving the lot of the Isfahan factory workers. Founded a primitive type of trade union and became workers' spokesman in disputes about conditions of employment. Affiliated his union to the Tudeh party and, with the latter's support, was elected to the 14th Majlis in 1943 as Deputy for Isfahan.

Lost his political following among the factory workers of Isfahan during 1944-45 when the Isfahan workers' union broke away from the Tudeh, but in April 1946 he succeeded in re-establishing Tudeh influence. During 1947 when, arising from their support of the Azerbaijan democrats, the Tudeh party became discredited, Fidakar lost much of his influence in Isfahan, professed disillusionment with the Communist inspiration of the Tudeh move-

ment and retired to Tehran. He resigned from the Tudeh party and was dismissed from the Tudeh trade union, since when he has lived quietly in Tehran obtaining what business he can as a lawyer and giving free services to any workers in legal difficulties. Suspected by the Right-wing because of his earlier record and by Tudeh sympathisers because of his defection from that movement, he is living in near poverty. He retains his idealism and enthusiasm for social reform and is likely to appear again in the political arena.

53. Firuz, Muhammad Husain, Major-General (Sarlashkar)

Born about 1895. The fourth son of the late Farman Farma. Educated at the military college at Petrograd. Entered the Persian army during the 1914-18 war, and was regarded as one of the promising young officers of the army. Appointed Chief of Staff of the Southern Division in 1925, and did very good work in organising the troops in Fars and enforcing discipline and efficiency. Sent to Delhi as representative of the Persian army at the Indian army manoeuvres early in 1925. Fell under suspicion for some reason about 1929 and resigned his commission. His Qajar origin was no doubt the cause of his collapse.

Returned to Persia late in 1941, and was sent to Fars as G.O.C. and Governor-General in March 1942. Superseded in both appointments by Marshal Shahbakhhti a year later. He had succeeded in keeping a rather precarious order in Fars, but never succeeded in repressing Nasir Qashqa'i's rebellious movement. Head of the air force 1943. Again appointed Governor-General of Fars in early summer of 1944 but did not get on with the influential Qavam-ul-Mulk or the Qashqa'i Khans. His enemies accused him of weakness and of truckling too much to the Tudeh, but His Majesty's Consul, Shiraz, on the contrary, considered that his refusal to take unnecessarily repressive measures against the Tudeh was more sound. Appointed Minister of War in Sa'id's reconstituted Cabinet in August 1944 but refused the appointment. Minister of Communications in Hakimi's Cabinet November 1945. Resigned a month later. Returned to the same Ministry in Qavam's Cabinet in February 1946, but was left out when Qavam re-formed his Cabinet in October 1946. Appointed Inspector-General, Persian Air Force, March 1947, and retired from military service in 1949.

Speaks very good French and Russian and some English; intelligent but irresponsible. Tudeh-sponsored candidate for Tehran in the elections for the 17th Majlis. Married a Miss Namazi, who was educated in Hong Kong, speaks English perfectly, and is one of Persia's leading feminists.

54. Firuz, Muhammad Vali Mirza (Farmanfarnayan)

Third son of the late Farman Farma. Born about 1893. Educated at Beirut and Paris. Sent to Tabriz as head of the Finance Department 1915. Said to have taken many bribes while in that appointment. Is very thrifty and has large properties both in Tehran and Tabriz. Elected a Deputy to the 4th, 5th and 6th Majlises for Tabriz. On the fall of his brother, Nusrat-ud-Dauleh, in 1931, he retired from public life and was seldom seen. Has been in Europe a good deal.

Elected to the 13th Majlis for Sarab in September 1941, and again to the 14th in November 1943. His appearance being that of an underfed bird of prey, seems to keep him in the background, but he has a good deal of his father's intelligence. Became Minister of Labour and Propaganda in October 1946 but resigned in December to stand as a candidate for the 15th Majlis. Went to Switzerland February 1947.

Now back in Persia. Founder member of Persian Democratic Youth Organisation, a Tudeh Party cover organisation, July 1951.

55. Firuz, Muzaffar

Born about 1910, grandson of Farman Farma, brother of Muhammad Ali Shah, and accordingly uses the title of Prince in social life. Educated at Harrow and Cambridge. Speaks excellent English and fair French: is bitterly hostile to the Pahlavi dynasty and his sole *raison d'être* is to avenge the murder of his father by Riza Shah. At one time employed in Persian Legation in Washington, whence, it is believed, he was removed at the request of the United States Government for abuse of diplomatic bag privileges.

It was Firuz who went to Palestine and brought from there Sayyid Zia's first manifesto. He remained an ardent supporter of Sayyid Zia until May 1945 when he broke with him. He says that the breach was caused by Sayyid Zia's becoming more and more dictatorial, but Sayyid Zia's version was that they had to part because Firuz would not abandon his newspaper campaign, in the newspaper *Ra'd-i-Imruz* against the Shah, and Sayyid Zia felt that it was impossible to fight the Russians and the Shah at the same time. Towards the end of 1945 he became one of the chief supporters of Qavam-us-Saltaneh. As a reward for this, Qavam, when he became Prime Minister in February 1946, appointed Firuz Political Under-Secretary, an office apparently created for the purpose, and Director of Propaganda. He became Minister of Labour and Propaganda in August 1946, but was dropped when Qavam-us-Saltaneh reformed his Cabinet in October 1946 and sent to Moscow as ambassador. Relieved of this appointment in the autumn of 1947, he took up his residence in Switzerland and has since moved to Paris. He has a bent for propaganda and sensational journalism and has succeeded in making himself extremely unpopular even with his colleagues. His madness is enhanced by a titanic conceit but not by conspicuous courage.

Rash, unbalanced, dishonest, untruthful and malicious, would probably sacrifice anything to bring about the downfall of the Shah. In view of his record he was naturally suspected of having helped Qavam-us-Saltaneh to write the open letter to the Shah about the suspensory veto which caused some stir in Tehran in April 1950.

56. Furuhar, Abbas

Born about 1895. Though his junior in age, is an uncle of Abul-Qasim Furuhar. Member of the Protocol Department of the Ministry for Foreign Affairs in 1934, and acted as head of that department in 1935 and part of 1936. Head of the Personnel Department July 1936 to April 1937. Counsellor, Angora, until September 1938. Head of the Protocol Department September 1938.

Sent to Beirut with the vague title of "Délégué" at the end of 1942. Recalled temporarily in 1943 to give explanations about the conduct of Muzaffar Firuz. Chargé d'affaires to Greek Court in Cairo June 1944. Minister to Yugoslavia April 1946. Replaced mid-1949 but had not returned to Persia by June 1950.

Speaks French. Married in 1939 a daughter of Muhammad Ali Muqaddam. Polite, friendly and well-meaning, but the head of the Protocol Department under Riza Shah had a thankless task. Nevertheless, he, unlike his colleagues at the Court, survived the ordeal of the Crown Prince's wedding celebrations.

57. Furuhar, Abul-Qasim

Born in Tehran about 1883. A grandson of Mirza Abbas Khan Qavam-ud-Dauleh, who was Minister

of Finance for some years. Educated in Tehran and Switzerland; studied law. A judge in the Tribunal of the Ministry for Foreign Affairs 1915-21. Chief of Construction at the Tehran Municipality 1921-24. President of the Tribunal 1926-27. Assistant Director of the Registration Department in the Ministry of the Interior 1927-28. Judge in the Appeal Court in 1929. Under-Secretary of the Ministry of Finance under his great friend Davar October 1933. Accompanied the Shah on his State visit to Turkey in June 1934. Minister to France June 1936; but recalled in January owing to an anti-Persian press campaign in some French newspapers. Acting Minister of Interior July and Minister September 1937. Minister of Industry and Mines March 1938. Minister of Interior August 1938 to February 1939 when superseded for no stated reason. A Deputy for Tehran in the 12th Majlis October 1939, and in the 13th Majlis 1941. Appears to have lost some of his energy, being unwilling to become Minister of the Interior to run the elections in 1943. Minister of Posts and Telegraphs and later Minister of Finance in Sa'id's Cabinet March-August 1944.

Delegate to U.N.O. Assembly September 1947. Appointed minister to Switzerland 1948. Also accredited to Vienna August 1949. Recalled by Musaddiq, May 1951, because of his relationship with Ghulam Husain Faruher of Supplemental Oil Agreement fame. Married to a Bulgarian lady.

58. Furuhar, Ghulam Husain

Born in 1903. Brother of Abul Tasim Furuhar. Educated at the School of Political Science, Tehran, and at Berlin University where he studied economics and law. Entered the Ministry of Justice in 1928 and held various appointments in that Ministry until 1934 when he transferred to the Ministry of Finance. Director-General in the Ministry of Finance in 1940. In 1941 was appointed to Germany to investigate commercial relations between Persia and Germany. After relations with Germany were cut he acted as economic counsellor to the Persian Legation in Switzerland. Returned to Persia early 1946 and was appointed Director-General of the Taxation Department of the Ministry of Finance. Minister of Roads and Communications in Qavam-us-Saltaneh's Cabinets December 1946 to December 1947. Head of Industrial Bank October 1948-August 1949, when appointed Minister of Labour by Sa'id. Dropped January 1950. Ministry of Labour under Razmara, August 1950. Transferred to Ministry of Finance, October 1950, and undertook the defence of the Supplemental Oil Agreement in the Majlis, December 1950, a task which he performed with commendable courage. As a result of the outcry in the Majlis, inspired against him by the National Front, he was forced to resign in January 1951.

Gained much influence at one time by his wife's close association with Princess Ashraf. Intelligent and courageous but more of a showman than an administrator.

Speaks fluent French and German.

59. Garzan, Abbas, Major-General (Sarlashkar)

In 1941 he was head of the Railway Administration, but left it in June 1942 as a result of differences with other officials, and was appointed head of the 3rd Bureau of the General Staff. In September 1943 was transferred as head of the 2nd Bureau and a month later was appointed Deputy Chief of the General Staff. In September 1944 he was appointed to command the 9th Division and left it again to become Deputy Chief of the General Staff, March 1946. Promoted Brigadier in June 1946 and not long after became Director of Personnel in the Ministry of War. In 1947 he assumed command of the 3rd Division at Tabriz and in September 1948

changed to the command of the 4th Division at Rizaieh. Promoted major-general, March 1950. Relinquished command of the 4th Division in May 1950 to become Deputy Chief of the General Staff and the next month, when Razmara became Prime Minister, he became Chief of the General Staff.

He gained the esteem of the British officers working in the railway administration during the war who considered that he co-operated well and loyally. He was highly thought of by His Majesty's Consul at Isfahan and has always appeared friendly, efficient and honest. He is believed to be one of the more capable officers in the Persian army. He speaks fair French but no English.

60. Ghaffari, Hasan Ali (Mu'avin-ud-Dauleh)

Born about 1890. Son of the late Mu'avin-ud-Dauleh, a former Minister for Foreign Affairs. Educated in Europe. At one time attaché to the Persian Legation in Brussels and head of the Protocol Department of the Ministry for Foreign Affairs. After the Coronation of Riza Shah in 1926, Ghaffari was appointed Grand Master of Ceremonies at the Court, a post he held until March 1929 when he was appointed Political Director-General at the Ministry for Foreign Affairs. Dismissed November 1929 for permitting publication in the press of the judicial safeguards accorded to foreign subject after the abolition of extra-territorial privileges, but reinstated a month later owing to his friendship with Taimurtash, the Minister of Court. Minister at Brussels 1933-36. *En disponibilité* for ten years living in Switzerland and France. Returned Tehran mid-1947. In 1947 he was appointed first Persian Ambassador to Pakistan but did not proceed. Appointed minister to Brazil with personal rank of ambassador March 1949. Presented credentials as Minister also to Chile February 1950.

An agreeable and well-educated man. Speaks French and German fluently.

61. Gilanshah, Hidayat (Sartip, Air Commodore in Air Force)

Appointed head of the Imperial Iranian Air Force in February 1952. He is an intriguer, weak, conceited and fond of good living. Though actively employed in the Air Force for the whole of his service, he has little knowledge of modern Air Force affairs. He has received the Order of Honour 2nd Class and is an A.D.C. to the Shah. Speaks French and some English.

62. Gulshayan, Abas Quli

Successively Minister of Finance, Communications and Justice under Furughi August 1941-March 1942. Appointed Governor-General, Tabriz, September 1943 but did not proceed. Head of Tehran Municipality January-August 1944. Minister of Communications under Sadr June 1945. Governor-General, Khurasan, April-September 1948 when he was appointed Minister of Justice under Hahzir. Minister of Finance in successive Sa'id Governments from November 1948 to March 1950. Persian Government plenipotentiary in the negotiations with the A.I.O.C. which culminated in the signature of a Supplemental Agreement between the Persian Government and the A.I.O.C. in July 1949. Governor-General of Fars, May 1950. Dismissed in August 1951 because of National Front aversion to him as signatory of the Supplemental Oil Agreement of July 1949.

Speaks French and has only a limited knowledge of English. Capable, affable and friendly.

Was an excellent Governor-General of Fars.

63. Ha'at, Ali

Of Azerbaijani origin. Was opposed to Riza Khan before he became Shah but later became one of the

late Shah's friends. A Deputy on several occasions before becoming a magistrate. President of section of Supreme Court of Appeal when arrested at instance of Allied Security authorities and interned at Arak (Sultanabad) August 1943. Public Prosecutor at Supreme Court of Appeal when appointed Minister of Justice by Mansur April 1950; he appears to have owed his appointment to the fact that he was acceptable to such mutually incompatible elements as the Court and the National Front. Resigned with Mansur, June 1950. Minister of Justice under Musaddiq, May 1951. Resigned August 1951 on being appointed Senator for Azarbaijan.

64. Ha'irizadeh, Sayyid Abul Hasan

Born about 1894. Has had a career in the Ministry of Justice. Deputy for Sabzavar in the 15th Majlis. Deputy for Tehran in the 16th and 17th Majlis. November 1950 was a member of the Committee of the Partisans of Peace.

Ha'irizadeh was one of the original members of the National Front. He is now at loggerheads with many of its leaders, but this is nothing unusual as he is a quarrelsome man and is usually at loggerheads with his colleagues. He appears to have integrity of a sort but in international politics is inclined to an extreme neutralism for Persia which takes him very near to a doctrine of total non-resistance to Soviet designs on his country.

65. Hakimi, Ibrahim (Hakim-ul-Mulk)

Born in Azerbaijan 1870: studied medicine in France for ten years; speaks French. Was Qajar Court Physician as was his father. Deputy in the 1st Majlis 1908. Minister of Finance 1910. Minister of Education 1910, 1911. Minister of Finance 1911. Minister of Finance or Education several times up to 1918. Minister of Education 1920. Lived in retirement throughout Riza Shah's reign. Minister without Portfolio in Qavam-us-Saltaneh's Cabinets August 1942 and February 1943. Associated with Qavam-ul-Mulk in his pro-German intrigues before the invasion. Member of the National Bank Advisory Council in 1943, 1944 and 1945; was considered an ancient nonentity, deaf and infirm, but in May 1945 was appointed Prime Minister because all other candidates were opposed by one or other faction in the Majlis. His Cabinet failed to obtain a vote of confidence and resigned a month later. He again became Prime Minister in November 1945 and did his best to deal with the Russian-inspired independence movement in Azerbaijan and had courage enough to refer to the Security Council of U.N.O. the situation created by the Russian refusal to allow the Persian Government to send troops to Tabriz.

In December 1945 wished to go to Moscow for direct negotiations with the Russians but his request was turned down. Exhausted by his efforts and intimidated by the growing hostility of the Shah and the factions in the Majlis, he resigned in January 1946.

Appointed Prime Minister December 1947 after the fall of Qavam-us-Saltaneh. He survived in that office until June 1948, when his Government resigned on failing to obtain a vote of confidence. A member of the Regency Council during the Shah's visit to the United Kingdom in July 1948. Elected to the Constituent Assembly for Tehran April 1949 and as a Senator for Tehran October 1949. Again a member of the Regency Council and also appointed Minister of Court on the eve of the Shah's departure to the United States November 1949. Resigned from post of Minister of Court after the Shah's marriage, February 1951. Spoken of as a possible successor to Musaddiq, March 1952.

Eminently friendly and sincere, and not without backbone, but elderly, deaf and lacking in grip.

66. Hasibi, Engineer Kazim

Born c. 1902. Studied mining engineering in France. Speaks French and some English.

Assistant head of Mines Department, October 1942. Director-General and Technical Adviser, Ministry of Commerce and Industry, December 1943. Head of Industrial Institute, Ministry of Commerce and Industry, September 1944.

Chief theoretician of National Front on oil, was appointed additional Under-Secretary at the Ministry of Finance by Musaddiq, May 1951, with position of permanent deputy to the Minister of Finance on the Mixed Oil Commission. One of the Persian delegates at the negotiations with the A.I.O.C., June 1951. Deputy for Tehran in the 17th Majlis.

Fanatically anti-British. He has a crazy look in his eye, and is completely impractical.

67. Hidayat, Abdullah, Major-General (Sarlashkar)

Born about 1902, the son of Mukhbir-ud-Dauleh (Ghulam Riza Kimal-Hidayat), and so member of a family that has usually been pro-British. General Hidayat is outwardly friendly, and is intelligent and ambitious but something of an intriguer. Trained at the French Ecole de Guerre, and also at Fontainebleau. Head of the Third Bureau, General Staff, February 1941; at the Staff College November 1941; Deputy Chief of the General Staff May 1942; Commandant of the Officers' School November 1942. Under-Secretary, Ministry of War, April 1944. Acting Minister of War September 1944. Director of Artillery November 1945. Under-Secretary of War February 1946. While still retaining this post he left for the United States in March 1947 to negotiate purchases of military supplies under a loan to the Government for this purpose. Returned in 1948 and continued in the same post until appointed Commandant of the Staff College in February 1950.

Appointed Minister of War by Razmara, June 1950, and held this post until the latter's assassination. Appointed Commandant of the Staff College, May 1951.

A well-qualified serious officer, more staff officer than a commander. Has a good reputation for honesty. When with the General Staff supported Yazdan-Panah in his opposition to a foreign military mission, but now appears very friendly to the Americans. Belonged to the military clique headed by his friend Razmara. Speaks good French and fair English.

68. Hidayat, Izzatullah

Son of the late Sani-ud-Dauleh, who was murdered in Tehran during the Constitutional troubles about 1908. Born about 1895. Educated as a civil engineer in Germany. Member of the staff of the legation at Berlin 1920-23. On the staff of the Ministry of Public Works 1925. Appointed Chief of Railway Construction about that time. Interested in various engineering projects in Tehran, and in a spinning factory. Director of the port of Pahlavi 1930. Arrested and tried for complicity in the irregularities in the Ministry of Roads and Communications February 1936; sentenced in the autumn to six months' imprisonment and a fine. Exonerated after the fall of Riza Shah but not re-employed in Government service. In 1943 engaged in contracting work. Appointed Inspector of Railways in August 1945, and Director-General January 1947. Relieved of this post January 1949 but remained Inspector. Was selected as independent chairman of a Workers Congress held in February 1951 under auspices of Ministry of Labour, and is still closely associated with the new T.U.C. formed to co-ordinate activities of I.S.K.I. and I.M.K.A.

Intelligent and of charming manners. His mother was a daughter of Muzaffar-ud-Din Shah. He is married to a Russian. He speaks Russian and

French fluently and has a fair knowledge of English. Cousin of Khusrau Hidayat. Visited England and Europe early 1949—on railway matters. Very friendly and frank, but lacks drive. Reported to have close connexions with German firms.

69. Hidayat, Khusrau Bahman

Aged about 40. A qualified mechanical engineer. Assistant head of Iranian State Railways May 1944 and appointed Director-General November 1944. Relieved of post early 1945, but reappointed for a few months in October 1946.

One of the first members of Qavam's Democrat Party (September 1946) and was made responsible for organising a trade union section of the party to oppose the Tudeh movement. Obtained an appreciable following among workers, especially on the State Railway, presided at two congresses in Tehran in 1947 when the I.S.K.I. Trade Union was formed (this being the Democrat Party organisation in disguise), and in August 1947 became first secretary of the "Federation of Trade Unions of Workers in Iran" (I.S.K.I.). Elected to 15th Majlis for Tehran in 1947. Deputy for Tehran in the Constituent Assembly April 1949. Workers' delegate to the International Labour Conference, Geneva, June 1949. Elected president of Asian Federation of Labour January 1950. Failed to get elected to the 16th Majlis from Tehran 1950.

At one time represented workers on High Labour Council and other joint negotiating bodies, and is still a member of the Executive Committee of the I.C.F.T.U. Has little in common with the working class, and only a slight knowledge of the principles of trade unionism and insignificant organising abilities. Uses his position to improve his own status and settle personal scores.

He was previously married to a Belgian who left him a few years ago. He owes his position to his influence at Court particularly with Princess Ashraf. Speaks French.

70. Hikmat, Ali Asghar

Born about 1894. A member of a Shiraz family and cousin to Mushar-ud-Dauleh (Mirza Nizam-ud-Din Khan Hikmat) and Sardar Fakhir (Mirza Riza Khan Hikmat). Educated in the Church Missionary Society School at Shiraz 1908-09. Well-read in Arabic. Went to Tehran in 1914, where he entered the American College, graduating in 1917. Joined the Ministry of Public Instruction as an inspector. Appointed Director of Education for Fars about 1920, but kept out of the position owing to intrigues. Candidate for the 5th Majlis in 1923, for Shiraz and also for Jahrum, but was not successful. Employed in the Ministry of Education until about 1930, when he went abroad to Paris to study law. Said to have done well in his examinations. Returned to Tehran in September 1933, to take charge of the Ministry of Education as Acting Minister. Raised to the rank of Minister in February 1936. Dismissed July 1938 owing to the Shah's displeasure about a telegram connected with the Paris Exhibition, but restored to favour as Minister of the Interior February 1939. Resigned March 1940. Was proposed for minister, Berlin, but the German Government hesitated about his agreement. When it did come the Shah decided to re-employ him as Minister of the Interior instead, but dismissed him in June 1940.

Minister of Industry and Commerce in Furughi's Cabinet in 1941, and had a good deal to do with the negotiations about the Tripartite Treaty of 1942. Minister of Health March 1942. Minister of Justice in Suhaili's Cabinet of February 1943, but resigned in July owing to differences of opinion with his chief. Headed cultural missions to India 1944 and again

in 1947. Delegate to United Nations Education Conference 1945. Minister without Portfolio June and September 1947 under Qavam-us-Saltaneh. Delegate to U.N.E.S.C.O. November 1947. Head of Persian delegation to Tashkent for centenary of poet Nava'i April 1948. Appointed Minister for Foreign Affairs under Sa'id November 1948. Minister without Portfolio under Sa'id January 1950 until he fell in March 1950. After his fall from office he continued his university work; and also served as president of the Persian U.N.E.S.C.O. Committee and on the Ancient Monuments Commission; and was taken up by Princess Shams.

The author of some literary works, he spends some time instructing students in Persian literature at the university. Most friendly and shrewder than he at first appears. He is eminently a professor and not a man of action, but he has considerable influence in his own circle.

Speaks both English and French but neither well, although he has translated some of Shakespeare's works into Persian.

71. Hikmat, Riza (Sardar Fakhr)

Born Shiraz about 1888. Cousin of Ali Asghar Hikmat. During the 1914-18 war was a determined enemy of Qavam-ul-Mulk and friendly with the Qashqais. Since that war settled down in Tehran and was employed in various Government appointments. Governor-General of Kirman 1940-41. Head of the Statistics and Civil Status Office 1942. Elected to the 14th Majlis 1944 for Shiraz. He still enjoys the support and friendship of the Qashqais. Appointed Governor-General, Kirman, June 1946. Is a member of Central Committee of Iran Democrat Party. Elected Deputy for Shiraz in 15th Majlis.

Elected President of Majlis October 1947. On the fall of Qavam in December 1947 was elected Prime Minister, but failed to form a Cabinet. Leader of the dissident group of Qavam's Democrat Party. Re-elected President of the Majlis April 1948 and again in October and April 1949. A member of the Regency Council during the Shah's visit to the United Kingdom July 1948. Elected to the Constituent Assembly from Shiraz April 1949. In July 1949 he founded the Socialist Party of Persia. Successful in first stage of Senate elections in Shiraz and Lar autumn 1949. Deputy for Shiraz in 16th Majlis and elected President of the Majlis February 1950, being re-elected in February 1951.

A corpulent and polite man. More intelligent than he appears. Has considerable influence in the Majlis. His chief failing is a love of gambling.

72. Hishmati, Abbas

Born circa 1895, a Qajar prince, the son of Sardar Hishmat. Educated in France; speaks French.

After serving for some time in the army he was elected to the 14th Majlis from Mahallat. In that Majlis he was a member of the Kazimi Party. Arrested by Qavam-us-Saltaneh in January 1947 and held until the elections in Mahallat were over—his bitter rival, Shahab Khusravani, whom he defeated in the 14th Majlis, was elected. He was released after promising to co-operate with Qavam and was appointed Governor of Hamadan January 1947. In August of the same year was appointed Governor-General of Mazandaran where he remained until transferred to Kermanshah in February 1949. A Member of the Constituent Assembly for Mahallat April 1949. Relieved of Governor-Generalship January 1950.

Governor-General of Isfahan, August 1950-April 1951, during this period he was accused by the independent Trades Union Federation (I.M.K.A.) of deliberately rigging the elections for workers' representatives on the Factory Councils in order to secure the appointment of I.S.K.I. candidates.

73. Human, Dr. Ahmad

Born in Tehran about 1906. Son of a prosperous fruiterer, Haji Riza Quli, who sent him to France for his education. He married one of the Sudavar family of Khurasan. On his return to Persia Human practised as a lawyer in Tehran. He entered politics with the, now defunct, 'Adalat Party. He was for a short time Director-General of Propaganda Department. Appointed assistant to the Minister of Court (Ala) in March 1951. He has made no secret of his opposition to the Musaddiq régime and has on several occasions been in danger of losing his job because of his activities.

He is intelligent and honest but rather indecisive.

74. Humayunjah, Muhammad Ali

Born about 1888. A graduate of the Tehran School of Political Science. Judge of the Tribunal of the Ministry for Foreign Affairs 1922-25. Has held various clerical posts in the Ministry, culminating in that of head of the personnel section of the Ministry 1932-34. Sent as counsellor to Paris in 1935; a post to which he was singularly ill-fitted owing to his scanty knowledge of French.

For some obscure reason, said to be connected with seniority, was made Under-Secretary at the Ministry for Foreign Affairs in April 1942; in which post he maintains his reputation of benevolent and useless stupidity.

Promoted to personal rank of ambassador April 1946 and awarded Humayun Medal, First Class. Became Minister for Foreign Affairs under Qavam December 1946 and Minister without Portfolio in June 1947. Dropped in October 1947, subsequently appointed ambassador to Ankara. He left Tehran to take up his new post in June 1948 but left Ankara for medical treatment in Paris November 1948. Superseded as ambassador by Qasim Ghani in December 1948.

A corpulent individual showing few indications of intelligence; his appointment to a foreign post was looked upon as a very good joke in Tehran.

75. Huvarisian, Ardashes

Born in Resht in 1905. Educated in the American school at Resht and in 1924 went to study at the Sociological College in Moscow. After his return from Moscow took up the cause of the workers and was imprisoned in 1928 and again from 1931 to 1941. Is said to have carried on underground activity from prison. One of the founder members of the Tudeh Party. Elected Deputy in the 14th Majlis for Armenians and Assyrians of Azerbaijan; his election was almost unanimous owing to Russian pressure. Gifted with a certain power of invective he writes occasionally for the Tudeh press and is a leading member of the Tudeh organising committee. Was on good terms with the autonomous "Government" of Azerbaijan. Speaks Turki, excellent Persian and Russian and some English, French and German.

Sentenced to death *in absentia* May 1949, following the attempt on the Shah's life in February 1949.

76. Ibtihaj, Abul-Hasan

Second son of Ibtihaj-ul-Mulk, and brother of Ghulam Husain Ibtihaj. Born at Resht about 1900. Interpreter to the British forces in Gilan towards the end of the war. Entered the service of the Imperial Bank of Persia at Resht about 1920. Did well there, and was transferred to Tehran 1925. Assistant to the chief inspector from then till he resigned in 1936.

Head of the Mortgage Bank 1939. Realised one of his ambitions when he became Governor of the National Bank of Iran in September 1942. In this capacity he has achieved much and has also been of considerable service to us in many ways. Was Persian representative in the negotiations in London leading to the conclusion of a financial agreement

between the National Bank and the Bank of England in August 1947 and to its renewal in November 1948. He maintains very cordial relations with the British Treasury and the Bank of England.

He has a complex against the Imperial Bank, on whom he made an unsuccessful legal attack in 1936. In 1949 he did his best to make the bank's position untenable. He took his defeat philosophically but will return to the charge if he can.

As a Persian financier he is unusual since he possesses intelligence, ability, energy and integrity. He is a sincere patriot and his financial theories and policy are largely dictated by his genuine desire to improve Persia's economic position. An avowed economic Nationalist but generally regarded as strongly pro-American. But apart from animosity towards the British Bank he has proved himself co-operative and friendly and at times has even gone out of his way to promote Anglo-American economic collaboration in Persia.

He is inordinately vain, sensitive and hot-tempered and has made many enemies among his own countrymen. His unpopularity rose to its height in 1949 when his defiance of the business community threatened to precipitate a dangerous financial crisis. There is little doubt that much of his obstinacy and unreasonableness was due to ill-health.

His truculence and intransigence during 1949, however, lowered him in the Shah's opinion and earned for him a reputation of wishing to become "a financial dictator."

Ambassador to France, August 1950. Recalled April 1952.

Married in 1926 Maryam, daughter of Taqi Nabavi (Muazziz-ud-Dauleh). No children. Both he and his wife have been much in the confidence of the Shah and Princess Ashraf.

77. Ibtihaj, Ghulam Husain

Born at Resht 1898. Eldest son of the late Ibtihaj-ul-Mulk, who was for years in charge of the Gilan estates of Fathullah Akbar. Educated at Resht and completed his studies at Beirut, and for a short time in France. Interpreter to the British Expeditionary Force 1918-20.

His father was assassinated by the Jangalis, and he, together with his family, fled to Tehran when the Bolsheviks occupied Gilan in 1920. Clerk in the Prime Minister's Office 1920-21. Secretary to the Governor of Gilan 1921-22. Transferred to the Ministry of Public Works and assistant to the American adviser, Colonel Morris 1923-28. Dismissed from that post, apparently for dishonesty. Joined the Ulen Company in 1929, when the latter had a contract to construct the railways in the south. Transferred to the Ministry for Foreign Affairs 1931; first secretary in London April 1932. First secretary in Cairo March 1933. Suspended by the Ministry shortly after, apparently for conduct in London when the d'Arcy Concession was cancelled. In 1934 Chief of Personnel at the Ministry of the Interior; and then director of the Tourist Department and chief of the Touring Club of Iran. Went to Moscow in September 1936 to arrange the transfer of the Russian tourist organisation "Intourist" to his organisation, newly named "Iran-tour." Assistant to the Chief of the Tehran Municipality October 1937, but returned to the Ministry of Interior in 1938. Director of Administrative Services in the Ministry August 1938. Acting Chief of Tehran Municipality July 1939.

Incurred Riza Shah's displeasure and was relieved of his charge of the Municipality in September 1940. He then joined "Iran-tour" and also served on the board of the Caspian Fisheries Mixed Administration. In 1942 divorced his Persian wife and married a Polish refugee. Appointed Mayor of Tehran in 1944. A supporter of Sayyid Zia he was actively opposed to all Tudeh Party influence in the Municipality. He

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thus incurred the hostility of all Left-wing elements and in December 1945 Hakimi (then Prime Minister) dismissed him as a gesture of conciliation. In 1946 he became managing director of Iranian Airways. Deputy for Bandar Pahlavi in the Constituent Assembly April 1949. Mayor of Tehran again November 1949, but resigned in February 1950 on taking up his duties as Deputy for Lahijan in 16th Majlis. Strongly opposed to Musaddiq in summer and autumn of 1951 but left Tehran for Europe before the end of the 16th Majlis; not a candidate for the 17th.

Author of a widely used guide book to Iran. Speaks English, French and Russian. Clever and resourceful but not to be trusted very far.

78. Ihtisham, Dr. Hisam-ud-Din

Born about 1910 of an Ardistan family. Studied in France where he obtained a commercial degree. Employed in the Ministry of Commerce and Industry. Delegate to the International Labour Conference September 1945. Accompanied Ali Amini on a commercial mission to India in October 1945. Director of the Foreign Trade Control Department March 1946. Member of the High Labour Council November 1946. Under-Secretary, Ministry of National Economy, October 1949 until July 1950.

Speaks French and English. Intelligent and helpful.

79. Imami, Dr. Hasan

Son of Abul Qasim, brother of the late Imam-i-Jum'eh of Tehran.

Born about 1912.

On the death of his father in 1947 he was appointed Imam-i-Jum'eh by the Shah, the old Imam's eldest son being unwilling to follow a religious calling.

Studied law in France and Switzerland.

He is a professor of law at the university and also practises as a solicitor and Commissioner for Oaths.

Although his upbringing and probably his present outlook are worldly he conducts himself with much decorum, wearing the regulation costume. He is nervous of foreign contacts but is ready to receive foreign visitors if discretion is observed. He is alleged to have conducted a thriving business in the acquisition of the title deeds to mortmain lands. Speaks French, Arabic and Turkish.

Elected to the Constituent Assembly for Tehran April 1949. Successful in first stage of Senate elections in Tehran October 1949.

Was stabbed for no apparent reason, August 1950, and went to Switzerland for medical treatment. Returned, December 1950, and officiated at Shah's wedding, February 1951, after which he again went to Switzerland. Returned, May 1951.

In March 1952 was elected Deputy for Mahabad.

He maintains close relations with the Court and steered a cautious course in politics until May 1951, when he became Opposition candidate for the presidency of the 17th Majlis. Appears to believe in Anglo-Persian co-operation, but has an anti-American bias.

Elected President of the 17th Majlis 1st July, 1952.

80. Imami, Jamal-ud-Din

Born about 1900, son of the Imam Jum'eh of Khauy. Educated in Belgium and speaks French.

Deputy in the 14th Majlis for Khauy, which place had been represented by his brother, Javad, for several years. After at first supporting Ali Dashti, in 1946 he was encouraging the Adalat Party in Ahwaz and district. In May of that year he was arrested by Qavam-us-Saltaneh for intrigues against the State.

Under Hazhir in June 1948 he became Minister without Portfolio, charged with looking after the affairs of Azerbaijan. He continued as Minister without Portfolio under Sa'id November 1948. Resigned

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in October 1949 to stand for the 16th Majlis, to which he was elected from Tehran.

One of the most influential members of the Majlis Oil Commission, June 1950; it was he who drew up the oil nationalisation resolution, March 1951 (though without mentioning the word "industry" which was inserted by Makki). Venal.

It was his proposal which led to the Majlis vote of inclination for Musaddiq as successor to Ala at the end of April 1951. Imami subsequently became leader in the Majlis of the Opposition to Musaddiq and spoke against him with great force. His rather dubious reputation was, however, a distinct handicap to the Opposition.

81. Imami, Nizam-ud-Din

Brother of Jamal-ud-Din Imami. Married to a daughter of Vusuq-us-Saltaneh. Speaks English.

Served with the Anglo-Iranian Oil Company 1930-42.

Director-General, Transferred Lands Department, early 1943-September 1944. Head of Persian Trade Delegation to India October 1944. Persian Government representative with the A.I.O.C., London, June 1947. A member of the Persian Government delegation in the negotiations leading to the Supplemental Agreement with the A.I.O.C. February-July 1949. He has the appearance of an intriguer and is not trusted by the A.I.O.C.

82. Intizam, Abdullah

Born about 1897. Brother of Nasrullah Intizam. Entered the Ministry for Foreign Affairs in about 1921. In the Press Department 1933-35. Consul at Prague 1936. Chargé d'affaires at Berne 1938. Head of the Third Political Department of the Ministry for Foreign Affairs in April 1941. Secretary at Berne 1942. Appointed in 1947 to investigate Persian claims against Germany and sent to Stuttgart with the rank of consul-general. Also accredited to The Hague as Minister August 1949.

A pleasant and go-ahead person. Speaks English and French.

Appointed first Grand Master of Ceremonies at the Court and then Minister for Foreign Affairs by Ala, April 1951, but remained in Stuttgart, where he still is (June 1952).

83. Intizam, Nasrullah

Born about 1899. Son of the late Intizam-us-Saltaneh, and nephew of Hasan Ali Ghaffari. Educated in Tehran at the School of Political Science. Secretary at Paris 1926. Secretary at Warsaw 1927-32. Secretary to the Persian delegates to the League of Nations during the Anglo-Persian Oil Company dispute in 1933. Member of the Persian delegation to the World Economic Conference 1933. Secretary at London May 1933. Transferred to Washington 1934. Has also served in the Treaty Department of the Ministry for Foreign Affairs. First secretary at Berne 1936. "Délégué suppléant" at the League of Nations May 1938. Head of the Third Political Department, Ministry for Foreign Affairs (dealing *inter alia* with Great Britain), July 1938. Attended the Duke of Spoleto's wedding in Italy June 1939.

Master of Ceremonies at the Court in March 1941. Minister of Posts and Telegraphs in the reconstruction of Qavam-us-Saltaneh's Cabinet in February 1943, a post which he retained in the following Cabinet of Suhaili. Minister of Communications and subsequently of Foreign Affairs in Bayat's Cabinet of November 1944. Resigned in April 1944. Member of the Persian Delegation to San Francisco. Persian Delegate to Executive Commission of U.N.O. in London with rank of ambassador. Member of Persian Delegation to U.N.O. January 1946 and again in September. Persian representative on U.N.O.

Palestine Commission June 1947. Permanent Persian delegate at U.N.O. 1950-52.

Elected President of the General Assembly of the United Nations, 1950.

Quiet and attractive. Helpful and honest. Very intelligent. Speaks French and English.

84. Iqbal, Ali

Born in Meshed about 1895. Son of a well-known landowner of Khurasan, with property at Kashmar and elsewhere in the province. Deputy for Meshed in the 12th, 13th and 14th Majlises. Never in Government service, but well acquainted with Khurasan politics. Aspired to becoming the mutawalli-bashi of the Meshed shrine 1943, but did not succeed owing to the opposition of the Governor-General. An enemy of Suhaili, he was a professing supporter of Sayyid Zia-ud-Din when his fortunes were at their height.

Deputy for Kashmar in the 15th Majlis and successful in first stage of Senate elections there autumn 1949.

85. Iqbal, Dr. Manuchihr

Younger brother of Ali Iqbal. Born at Meshed about 1898. Educated at Tehran at the medical school, and then in France, where he qualified as a doctor and received a medal for research. Returned to Persia in 1939 and was employed for some time in the Ministry of Public Health. Under-Secretary of the Ministry 1943, he ran the technical side of the Ministry's work with success. Minister for Health August 1944 (Sa'id's Cabinet). Enjoyed patronage of Qavam-us-Saltaneh. Minister for Health in Qavam's Cabinet February 1946. Minister for Education under Hazhir, June 1948. Minister for Health under Sa'id November 1948 and then Minister for the Interior March 1949. Transferred to Ministry of Roads, January 1950, and continued in that office under Mansur April 1950-June 1950. Governor-General, Azerbaijan, August 1950. Recalled, September 1951.

Married to a Frenchwoman. Ambitious, friendly and intelligent he has a pleasant personality and is said to be a good doctor. Although criticised for his handling of the elections to the 16th Majlis (written 1948-49) it was never suggested that he made money out of them, and his personal integrity is undoubted.

86. Isfandiari, Asadullah Yamin (Yamin-ul-Mamalik)

Son of the late Yamin-ul-Mamalik and a nephew of Hasan Isfandiari. Born in Tehran 1885. Educated in Tehran and Tiflis. Entered the service of the Ministry for Foreign Affairs in 1901; in 1908 had reached the rank of deputy chief of the Foreign Office Tribunal. Karguzar in Isfahan 1917. Governor of the Gulf Ports 1921-23. Consul-general at Baku 1924-29. Governor of Mazandaran 1930-32. Recalled from that post and under a cloud for some time. Director of the Tehran Telephone Company.

Deputy in the 13th, 14th and 15th Majlises for Babul, which he also represented in the Constituent Assembly April 1949. Elected Senator from Tehran, October 1949.

Is a director of many important companies of the capital. Has a typical capitalist and conservative outlook.

87. Isfandiari, Fathullah Nuri

Second son of Hasan Isfandiari (Muhtashim-us-Saltaneh). Born about 1895. Educated in Switzerland and France. Second secretary of the Persian Legation in London 1914-24. Assistant chief of the English Section at the Ministry for Foreign Affairs 1925. First secretary at Washington 1926-29. Counsellor at Paris 1929-30. Counsellor in London and chargé d'affaires 1930-31, and was in charge at the time of the Persian Exhibition. Chief of the Economics Section at the Ministry for Foreign Affairs 1932. Chargé d'affaires again in London March to December 1933. Head of the Treaty Department at

the Ministry for Foreign Affairs 1934; served also in the Passport Section. For three months from the end of 1935 he was in Bagdad on a mission charged with negotiations over the frontier dispute, but achieved little. "Chef du protocole" May 1936 to December 1937. In charge of the Government-controlled "Iran" Insurance Company 1938. Appointed Persian Government representative with the Anglo-Iranian Oil Company 1942 in London. Minister to Polish Government in London January 1944. Returned to Persia 1945. Minister in Washington May 1947. Appointed Persian representative on International Bank June 1947. Returned to Persia after his two years' appointment and made a member of the Seven-Year Plan Council August 1949. Was head of the Persian Delegation to the Islamic Economic Conference at Karachi (1949).

Married to a Frenchwoman; speaks French and English. Conscientious and helpful; an excellent type of permanent official. Close friend of Ala.

88. Isfandiari, Musa Nuri (Muvaffaq-us-Saltaneh)

Brother of Asadullah Yamin Isfandiari. Born in Tehran 1894. Educated in Tehran and Europe. Entered the service of the Ministry for Foreign Affairs in 1916. Secretary at Rome for some time. Chief of the Economic Section of the Ministry 1929. Chief of the League of Nations Section 1932. Counsellor and chargé d'affaires at Paris 1933. Counsellor at Moscow in December 1933, and very soon afterwards transferred to Angora, where he was chargé d'affaires for some time. Head of the Consular Department March 1937. Director-General of Industry and Mines July 1937. Summarily relieved of that appointment in September owing to a muddle over the Chalus silk factory that was in reality due to his predecessor, Jahanbani. Administrative Director-General of the Ministry for Foreign Affairs December 1937. Minister, Bagdad, August 1938. Sent on a special mission to Berlin 1939. Left Berlin on rupture of relations in 1941, and returned to Bagdad as minister; recalled to Tehran, on the conclusion of five years' foreign service, in 1943. Though at first suspected of pro-German feelings, owing to his visit to Berlin, he behaved correctly on his second period of office in Bagdad. Minister of Agriculture in Suhaili's revised Cabinet of December 1943. Ambassador to Turkey 1945. Minister for Foreign Affairs under Qavam-us-Saltaneh September-December 1947 and again under Hakimi March 1948 and Hazhir June 1948. Ambassador to India January 1949-December 1951.

Speaks French, Italian and English. Pleasant, married very early, and has a son who is a champion at lawn-tennis.

89. Iskandari, Abbas

Uncle of Iraj Iskandari and a Qajar prince. One of the founders of the Tudeh Party, but soon broke away to lead a dissident section. In 1942 became a director of Iran Insurance, in which he made money and went to Egypt 1943-45. Appointed Governor of Tehran in June 1946 and Governor-General a month later when Tehran was made an independent Ustan. Elected to the 15th Majlis for Hamadan. In August 1947 made a violent attack in the Majlis on Taqizadeh, the former ambassador in London. Repeatedly attacked Hakimi's Government in the first part of 1948 and was foremost in demanding a revision of the A.I.O.C.'s concession and the return of Bahrein to Persia. In January 1949 attacked Taqizadeh for signing the revised A.I.O.C. concession of 1933 and was thus largely responsible for the present agitation for a further revision.

Left Persia for Europe very soon after the attempt on the Shah's life on 4th February, 1949. Returned to Persia mid-1950.

He is something of a mystery man. Can almost certainly be identified with Soviet agent No. 16 men-

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tioned in Agabelcoo's revelations. He is now rich, owning the greater part of Mibrabad aerodrome. Now a supporter of Qavam-us-Saltaneh.

90. Iskandari, Iraj

Born 1900. Educated in France as a lawyer. In 1938 published a philosophical review which was nothing more than disguised Communist propaganda, and in that year was one of a group of young Communists imprisoned by Riza Shah. Member of the editorial board of *Rahbar*, the Tudeh Party organ, of which he owned the licence. On Tudeh Central Committee from August 1944 and secretary-general to the party. Owns large properties and is generally regarded as very wealthy. Deputy for Sari in the 14th Majlis and Minister of Commerce and Industry under Qavam-us-Saltaneh in August 1946—dropped in October of the same year. Replaced large numbers of non-Tudeh members of the Ministry with Tudeh sympathisers and members during his tenure of office. Went to France January 1947 and has not returned to Persia. "Persian delegate" to Partisans of Peace Conference in Paris April 1949. Condemned to death *in absentia* May 1949 for activities hostile to the constitutional monarchy and for separating part of Persia (Azerbaijan). Expelled from France and went to Prague, May 1951.

91. Issayeff, Ramon

A Caucasian Armenian born about 1895 and one of the biggest Armenian businessmen in Tehran. Has the reputation of being pro-Soviet although according to some people this is merely cover for his intense desire to realise an independent Armenia. He is, however, mistrusted by the majority of Armenians who have defeated his recurring attempts to have himself elected as their Majlis Deputy. He was a prime mover in the scheme for getting Armenian peasantry to return to Soviet Armenia in 1947 and in this connexion handled large sums of money subscribed by American Armenians. Is said to have made a great deal of money as a contractor to the Red army during the war. Is an able and resourceful financier. In his plans to increase his company holdings he has met with opposition because of his pro-Soviet reputation, but he has reserved a large interest in several important industrial and commercial enterprises and continues to extend and enlarge his business interests. He is also a considerable shareholder in Iranian Airways. He entertains lavishly and is evidently amply supplied with funds which, it is reported—especially among the Armenian community—may well emanate from the Soviet Embassy.

Although uncouth in appearance he is well-educated and speaks excellent Russian. In spite of his reputation as a crook he is kind-hearted and generous.

92. I'tibar, Dr. Abdul Husain

Born about 1910 and was partly educated in Germany. Married a German. In 1943 was head of the Technical and Construction Department in the Ministry of Commerce and Industry, a post in which he made large sums of money by the gilding of the Palais de Justice. Elected Deputy for Burujird in the 14th Majlis, and in April 1945 was a member of the Persian Delegation to the San Francisco Conference. Head of water department of Tehran Municipality October 1946. Deputy for Burujird in 15th Majlis. Since the end of the 15th Majlis has been engaged in business.

Speaks excellent German, good English and French. Industrious, intelligent and helpful.

93. Jahanbani, Amanullah, General (Sipahbud)

Born about 1890, son of the late Amanullah Mirza, Zia-ud-Dauleh (a descendant of Fath Ali Shah), who

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committed suicide in the British Consulate in Tabriz, where he had taken refuge from the Russians in 1917. Joined the Persian Cossack Artillery School in 1907 and then graduated in Russia where he served two years with the Imperial Guard.

Was made a general, and became Chief of the General Staff in 1922. He visited France and England in 1923. Although a Qajar prince, he favoured the change of dynasty in 1925.

Held various military commands with periodical falls from and restorations to royal favour. He was appointed Director-General of Industry in March 1936. Dismissed in July 1937. Reported in prison in Tehran in July 1939, and in poor health. Liberated 1941 and made Minister of the Interior in September. Minister of Roads and Communications December 1941. Minister of War March 1942 and employed in the autumn at court as a kind of aide-de-camp general to the Shah.

General Officer Commanding, Fars, September 1943. Commandant, Cadet College, 1946, until November when he went on a tour of training establishments in France and Belgium. On his return in February 1947 he was appointed to the sinecure post of Inspector to the Eastern Forces in the Ministry of War.

First vice-president of Russo-Persian Cultural Relations Society March 1945.

Retired from the army on being nominated Senator for Fars February 1950.

Speaks Russian and French fluently; has a Russian, as well as at least one Persian, wife. Has been very active for some years in encouraging sport, both in the army and in civilian clubs and visited Europe in connexion with this in 1949. One of his sons studied four years in the Soviet Union and was then forced to leave by the Russians before completing his studies.

94. Jam, Mahmud (Mudir-ul-Mulk)

Born about 1880. Has had a long career in the customs and other Government departments, and was, for more than ten years, Persian secretary to the French Legation in Tehran. Director of the Alimentation Service, Tehran, from 1916 to 1920, where he did good work. Appointed Minister for Foreign Affairs in the short-lived Cabinet of Sayyid Zia-ud-Din 1921. Acting Minister of Finance January 1922, and Minister of Finance October 1923 to August 1924. Appointed as assistant to Prime Minister, Sardar Sipah (Riza Shah), until the latter became provisional head of the State on 31st October, 1925, and then assistant to the two following Prime Ministers. Appointed Persian Minister to Brussels in 1926, but did not proceed. Appointed Governor of Kerman Province in September 1927, and Governor-General of Khurasan in April 1928. Recalled from Khurasan in December 1928 and appointed Minister of Public Works. Returned to Khurasan as Governor-General in August 1929. Appointed Minister of the Interior in Furughi's Cabinet of 1933, and succeeded him as Prime Minister in December 1935. Headed the mission to Egypt on the Crown Prince's betrothal to Princess Fauzieh June-July 1938 and received the Order of Muhammad Ali from King Farouk. Minister of Court October 1939. Ambassador to Egypt 1941. Minister for War September-December 1947. Minister of Court January 1948. Accompanied the Shah to the United Kingdom July 1948, just after the announcement that he was to become Governor-General, Azerbaijan—an appointment he did not take up. Ambassador at Rome June 1949-July 1950.

An amiable and pleasant man who speaks French fluently.

95. Jazayiri, Dr. Shams-ud-Din

Born in Tehran 1905 of a family of Khuzistan Sayyids. Educated at Tehran University and Law School. Joined the Ministry of Education in 1925

and then in 1932 went to France whence he returned in 1938 having obtained his doctorate.

Director of Instruction in Ministry of Education 1938. Later transferred to Ministry of Finance and became head of Tobacco Monopoly in 1941. Adviser on Millspaugh Price Stabilisation Committee 1943. *En disponibilité* August 1944. Legal Adviser, Ministry of Finance March 1946 and Legal Adviser Ministry of Labour 1946-48. Member of board of directors of Iran Insurance Company 1948. Member of the Council of the 7-Year Plan May 1949. Resigned August 1949.

Keenly interested in education, he worked closely with the education expert of Overseas Consultants Incorporated who spoke highly of him. Also has considerable knowledge of labour and social developments and assisted in preparation of Persian Labour Code.

Married in 1941 Mah Munir, daughter of Dr. Muaddab Nafisi. A charming and intelligent wife. Speaks French.

Minister of Education under Razmara, June 1950. Resigned, January 1951, after a public disagreement with Furuhar about the Supplemental Oil Agreement. Rather a feeble character.

96. Kafa'i, Hasan

Son of the late Akhund Mullah Muhammad Kazaim, who was the chief mullah at Najaf. Managing director of the Khusraui Cotton Mill and Electricity Company in Meshed. A clever and unscrupulous businessman who has accumulated a large fortune during his four-year association with the Khusraui Company. Most unpopular.

His elder brother, Haji Mirza Ahmad, is the most influential and most respected mullah in Meshed. His nephew, Ja'afar (son of the Haji) was elected from Turbat-i-Haidari to the 15th Majlis and to the Constituent Assembly April 1949.

He was himself elected to the Constituent Assembly from Meshed. He is a director of the Private Commercial Bank established in spring 1950.

97. Kaihan, Mas'ud

Born in Tehran 1886. Educated in Persia and at Saint-Cyr. Joined the gendarmerie in 1913 and rose to the rank of colonel. Minister of War under Sayyid Zir-ud-Din Tabataba'i after his *coup d'Etat* of 1921. After Riza Khan's *coup d'Etat* he joined the Ministry of Education and became a teacher in secondary schools and later at Tehran University, where his department is reputed (1950) to be the best run in the University. Was also professor of geography at the Military Academy. Minister of Education under Mansur April-June 1950. Head of Theological Faculty, March 1951.

98. Kaivan, Amir

Born 1917. Has lived most of his life at Isfahan in employment for sixteen years as an engineer in the power house of the Nur textile factory. With Shams Sadri was active in the formation of the first Isfahan trade union in 1943-44. The Tudeh movement attempted to absorb this union in 1945. Shams Sadri yielded without much struggle, but Kaivan organised resistance to Tudeh, as a result of which a personal attack was made on him and he lost the use of one eye. Then had to lie low until the Tudeh eclipse in the winter of 1946 when he revived his Isfahan union. In 1947 affiliated his union to the I.M.K.A. Federation, but later withdrew because of I.M.K.A.'s venture into politics. Again affiliated in 1949. In March 1948 claimed that his union had 6,000 industrial members and 12,000 agricultural members or sympathisers. By June 1949, because of strong opposition from employers, I.S.K.L. civil and military authorities, the number of active members had fallen to a few hundred enthusiasts. He is

popular with his members and has considerable power over them. He denounces the dependence of trade unions on political parties and insists on the political independence of his organisation. In 1945 Kaivan attended the Paris Conference of the I.L.O. as workers' delegate. Violently anti-Russian and anti-Tudeh, for this reason has the friendship of certain religious leaders and Members of Parliament. The Isfahan employers are strongly opposed to him because of his obstinacy in pursuing the cause of the workers and his refusal to be bribed. A likeable person, who gives the impression of being genuinely devoted to the welfare of his fellow-workers.

Elected a member of the High Labour Council in 1951 and subsequently appointed vice-chairman. In 1951 attended I.L.O. Conference as Workers' Adviser and also the Congress of I.C.F.T.U. at Milan as representative of the new T.U.C.; afterwards visited the United Kingdom. In 1952 attended I.L.O. Conference as workers' representative in Government delegation.

99. Kambakhsh, Abdus-Samad

Born 1905, at Qazvin; his father, still alive in 1943, was Ain-ul-Mamalik, a Qajar prince and wealthy landowner at Qazvin. Entered Persian army about 1923; sent to Leningrad for training and became a pilot there; also imbibed the doctrines of communism with enthusiasm. On return was active Communist and was known as the Persian representative on the Comintern. Sentenced to death by Riza Shah, but was pardoned and then imprisoned with fifty-three other Communists. Exiled in 1940 to Bandar Abbas; released on the fall of Riza in 1941.

Elected to the 14th Majlis for Qazvin, by help of the Soviet representative. Generally regarded as one of the more decent Tudeh members. He is believed to be dissatisfied with the complete subservience of his party to Soviet interests. Put in charge of the publicity of the Tudeh Party in August 1944. Married to a Persian related to the Kia family who acts as *accoucheuse* in Tehran.

Believed to have taken refuge at Soviet Summer Embassy after the attempt on the Shah February 1949. Sentenced to death *in absentia* May 1949, for acting against the Constitutional Monarchy. His wife was arrested and sentenced to three years' imprisonment.

100. Kashani (or Kashi), Sayyid Abul-Qasim

Born about 1888. Educated at Kerbela and lived there for many years as a mujtahid. Expelled by the Iraq Government in 1922 for non-co-operation with our policy in that country, and came back to Persia. Kept in the background during Riza Shah's reign, but on the latter's abdication in 1941 came back into prominence and achieved a certain popularity partly owing to his reputation as an opponent of Riza Shah. His anti-British bias, a legacy from 1922, led him into intrigues with German agents and in August 1943 he fled from Tehran to avoid arrest. He was arrested by British security authorities in June 1944 and confessed to having helped German agents. Released in August 1945. He nurses a bitter enmity towards the British. Arrested by Qavam-us-Sultaneh July 1946 and released in November.

In June 1948 he instigated demonstrations against Abdul Husain Hazhir after the latter had been elected Prime Minister. Arrested by military authorities after attempt on Shah's life, 4th February, 1949, and banished to Khurramabad, but later allowed to leave the country for the holy places of Syria, and spent some time in Beirut.

Successful in first stage of Senate elections in Tehran October 1949. Elected to the 16th Majlis from Tehran as a protégé of the National Front. Returned to Tehran, June 1950, and immediately became active with anti-A.I.O.C. agitation. Was associated with the Fida'iyani-Islam at the time of

the assassination of Razmara, March 1951, but they later broke away from him. Has never attended the Majlis, but was re-elected for Tehran in the 17th Majlis.

Musaddiq owes much to the politico-religious support which Kashani has provided. As Kashani and his sons are venal they could be detached from Musaddiq by any rival who was prepared to pay enough; but the price would be high as they have established a lucrative system of patronage under the Musaddiq Government.

101. Kazimi, Baqir (Muazzib-ud-Dauleh)

Born about 1887. Educated in the School of Political Science in Tehran. Began his career in the Ministry for Foreign Affairs, being first attached to the Russian section, and later employed in the Cabinet of the Ministry. Appointed Chief of Cabinet in 1921. Appointed counsellor to the Persian Legation in Washington in 1925. Sent to Iraq to inspect Persian consulates in 1928. Later in the same year appointed counsellor to the Persian Legation in Kabul, but could only proceed as far as Herat, where he remained as Persian Consul-General. Appointed Under-Secretary to the Ministry of Roads and Communications in 1930, and Acting Minister in 1931. Appointed substantive Minister of Roads and Communications in May 1931, but had to resign in February 1932, owing, it is said, to being unable to build roads fast enough for His Majesty the ex-Shah. He was subsequently appointed Persian Minister in Bagdad, towards the end of 1932. Appointed Minister for Foreign Affairs in Furughi's Cabinet of September 1933.

Went on official visits to Afghanistan and India November-December 1935, and was the guest of the Viceroy (Lord Willingdon) at Delhi. Resigned March 1936, and unemployed until appointed Governor-General of Eastern Azerbaijan April 1937. Ambassador, Kabul, July 1938. Ambassador, Angora, October 1939.

Minister of Public Health December 1941 to March 1942. Then Minister of Finance in Qavam-us-Saltaneh's Cabinet of August 1942, but resigned before its fall in circumstances which did him little credit. Appointed to Angora as ambassador in May 1943, but did not proceed; the Turks appear to like him as little as the Iraqis, who have not forgotten how he opposed them in the dispute concerning the Shatt-al-Arab waters. Minister of Education in Sa'id's reshuffled Cabinet of August 1944. Delegate to U.N.O. January 1946. Minister to Denmark, Norway and Sweden April 1946.

In January 1948 he was offered, and is reported to have accepted, the post of Minister for Foreign Affairs in Hakimi's Cabinet but he remained in Stockholm. Presented his credentials as minister to Finland also February 1949. Nominated Senator for Tehran February 1950 but did not return to Persia until September 1950 when he allied himself to the National Front and bitterly opposed Razmara. Minister for Foreign Affairs under Musaddiq, May 1951, it is said as nominee of Kashani, with whom he is very friendly.

Stupid and obstructive.

102. Khajeh-Nuri, Ghulam Ali (Nizam-us-Sultan)

Son of Amir Nuri (Nizam-ud-Dauleh). Member of the Protocol Department of the Ministry for Foreign Affairs for several years, with an interval as secretary at the legation in Rome in 1935. Visited London in September 1937 on business connected with the printing of bank-notes for the Persian Government and commissions for the Royal palace. Chief Inspector in the Ministry for Foreign Affairs 1946. Head of Protocol Department 1949. Appointed Minister and Chargé d'Affaires at Rome in March 1952.

Educated partly in Russia, where he learnt ballet-dancing. Speaks French and Russian. Though of decadent appearance, he is helpful and friendly. Aided by his cultivated and charming wife, who is a daughter of Dr. Ali Asghar Nafisi, he is hospitable and popular with the Diplomatic Corps.

Has done various services for the Court after the fall of Riza Shah.

He prefers to be known as Nizam Khajeh-Nuri.

103. Khajeh-Nuri, Ibrahim

Legal Adviser to the Tehran Chamber of Commerce. Born about 1905. Member and Secretary of the Adalat Party from 1942. Unsuccessful candidate for the Tehran elections in 1944. Director-General of the Publications and Propaganda Department in 1944 and again in 1947, when he also held the office of Under-Secretary to the Prime Minister. Elected Senator from Tehran October 1949.

A well-known and popular writer, his best-known work being "Bazigaran-i-Asr-i-Tala'i," a series of twelve biographies of outstanding personalities in Riza Shah's reign. For some years he has produced a fortnightly Newsletter called *Khajeh-Nuri Letter*. As a historian he is most readable but not very accurate. In politics he is an idealist of strongly pro-British tendencies. Showed courage in making anti-Government speeches in the Senate 1951-52.

104. Khusrauvani, Ahmad, Major-General (Sarlashkar)

Born about 1896. Attended the Military School at Saint-Cyr.

Was in temporary command of the air force in 1931 during the occasions when General Ahmad Nakhjivan was suspended, and again in 1937 when General Nakhjivan was appointed assistant to the Minister of War. Promoted brigadier (Sartip) and placed in command of the air force 1939. Officer Commanding Troops, Tabriz, 1942 but returned to be head of the air force at the end of 1944, after he had been expelled by the Russians from Azerbaijan. Served as a member of the Interrogation Committee examining the cases of Persians interned by the Allied Forces on a charge of complicity in German fifth column schemes.

Head of the Transport Directorate, Ministry of War, 1946. Promoted Sarlashkar, March 1947. Deputy Chief of the General Staff 1947. While still holding this appointment he was made Military Governor of Tehran on imposition of martial law after the attempted assassination of the Shah, February 1949, and again after the assassination of Hazhir.

Believed to be untrustworthy and not particularly intelligent. Was fairly efficient as Military Commander of Tehran. Has an unsavoury reputation in financial affairs. More recently has appeared quite friendly. Speaks French but very little English.

105. Kishavarz, Faridun, Dr.

Born in 1906. Partly educated in France as a doctor of medicine and formerly practised at Pahlavi. Then ran a large and prosperous children's clinic in Tehran. In 1944 became one of the leading members of the Tudeh Party, of which he is a member of the Central Committee, and since then has been responsible in large measure for the organisation of the party. Editor of the Tudeh newspaper *Razm*. Tudeh Deputy for Pahlavi in the 14th Majlis. In December 1945 was invited by the Soviet Government to attend ceremonies held in Tashkent on the 20th anniversary of the foundation of the Central Asian Middle East College. Minister for Education under Qavam-us-Saltaneh in August 1946, but was dropped in the Cabinet reshuffle of October of the same year. During his tenure of office he succeeded in filling many important posts in the Ministry with Tudeh members and sympathisers.

After the attempt on the Shah's life of 4th February, 1949, he was reported to have taken refuge in the Russian Embassy. Sentenced to death in *absentia* May 1949 for actions hostile to the constitutional monarchy.

Completely unscrupulous and reported to be a perfect tool for the Russians. An accomplished public speaker.

106. Kupal, Sadiq, Major-General (Sarlashkar)

Born in Tabriz about 1890. Educated in Persia and Constantinople. Originally an artillery officer; but joined the gendarmerie in 1911. Was with the Turks when they approached Hamadan in 1916. (Has the Gallipoli star.) Went to Angora on a congratulatory mission in 1922 and remained there as military attaché till 1924. On the staff of the General Officer Commanding, North-West Division, in 1924. Chief of Police in 1929. In temporary command of the air force in 1931. Liaison officer with the Iraq forces in the operations against Jaafar Sultan 1931-32. Head of the Conscription Department 1934. Accompanied the Shah on his journey to Turkey in 1934.

Governor of Riza'iyeh in 1941, but retired thence in a great hurry when the town was threatened with insurrection by Kurds and Assyrians in March 1942. Suspected of complicity in the Zahidi plots. Very intimate with the Turkish Ambassador 1943. Arrested at the instance of the Allied security authorities September 1943, released May 1945. Director of Military Tribunal, Tehran, February 1946. June 1946 promoted Sarlashkar. August 1946, in charge of the committee investigating the general strike in Abadan. Appointed Chief of Gendarmerie 1947 until relieved by Razmara, June 1950. Appointed Chief of Police on 19th December 1951.

Energetic and loquacious. Has a Turkish wife. Neither studious nor professionally ambitious. Shows some interest in horse racing.

Was considered by the American Mission with the gendarmerie to be honest and sincere.

Has a heavy bovine appearance and is addicted to opium smoking. Speaks French and Turkish. As Chief of Police has been subservient to Dr. Musaddiq.

107. Kurus, Isa (Esau)

Born about 1895. A commissioned officer in the South Persian Rifles during the 1914-18 war. For many years a leading and reputable merchant of Tehran, representative of Imperial Chemical Industries, Metropolitan Vickers, and many other important British firms. Has a branch in London, and his wife and children are in England (1949). Speaks excellent English and is well disposed towards us. Patriotic and of strict integrity. Fell into disgrace under Riza Shah through no fault of his own. Stood for the Majlis for Tehran 1943 without success. Vice-President of Tehran Chamber of Commerce since October 1942. Member of Tehran Municipal Council 1943. Member of board of directors of Iranian Airways 1946.

One of the wealthiest merchants in Tehran.

108. Lankarani, Shaikh Husain

Born about 1890 in Soviet Azerbaijan. Elected Deputy for Ardibil in the 14th Majlis. Owed election to Soviet intervention. Without Russian backing would have no influence. Noted Tehran intriguer, mob orator and trouble-maker. In 1943-44 was employed by the Shah to stir up trouble against Sayyid Zia-ud-Din. A typical Akhund, venal and double-faced. Qavam arrested him July 1946, but released him in December.

Arrested in March 1948, together with his three brothers, in connexion with the murder of the journalist Muhammad Mas'ud. Subsequently released. Again arrested with his brothers after the

attempted assassination of the Shah 4th February, 1949, but again later released.

His brothers, Ahmad, Murtiza and Mustafa, are associated with the Tudeh cover-organisations (Partisans of Peace and Society for the Struggle against Imperialist Oil Companies).

109. Makki, Husain

Born c. 1915. Basic education in Tehran. Did his military service in the air force and rose to rank of sergeant but was discharged on charges of stealing technical equipment.

Assistant to Malik-ush-Shuara in his researches into Persian political history, 1941. Subsequently wrote or edited a few books on this subject himself. Deputy Mayor of Tehran, 1946. Director-General of Developments and Improvements, Ministry of Labour, 1947. Elected to the 15th Majlis from Arak and to the 16th from Tehran, where he came third (out of twelve Deputies). Secretary-General of the National Front and special protégé of Dr. Musaddiq. Talked out the Supplemental Oil Agreement in a four-day speech mostly written by Engineer Hasibi, July 1949. Rapporteur of the Majlis Oil Commission, June 1950, and of the Mixed Oil Commission, May 1951. One of the three-man delegation from the Mixed Commission to supervise take-over of A.I.O.C. in Khuzistan, June 1951. Deputy for Tehran in the 17th Majlis, heading the poll.

A loud-mouthed man with no ideas of his own; extremist and irresponsible. An unprincipled adventurer. Being an opportunist he would undoubtedly desert Musaddiq if he could obtain acceptable terms from the latter's successor. There have recently been signs that Makki is preparing for some such development.

110. Mansur (Rajab) Ali, C.B.E. (Mansur-ul-Mulk)

Born about 1888. Educated in the School of Political Science at Tehran. Began his career in the Ministry for Foreign Affairs, and was employed in the English section. He subsequently transferred to the Tribunal section, where he rose to be Director of the Civil Court. Appointed Director of the English section in 1917. Appointed Under-Secretary of the Ministry for Foreign Affairs in 1919, and Under-Secretary at the Ministry of the Interior in 1920. Created C.B.E. 1920. Appointed Governor-General of Azerbaijan in April 1927, and held that post until January 1931, when he was made Minister of the Interior. Transferred to the post of Minister of Roads and Communications in January 1933. Arrested in January 1936 on charges of misappropriation and incompetence. Acquitted August 1936. Rehabilitated as Minister of Industry and Mines August 1938. Selected by Riza Shah for the post of Prime Minister June 1940, it was to him that the joint Russo-British ultimatum was delivered on 25th August, 1941. As the result of the subsequent events he resigned in September 1941. Governor-General of Khurasan February 1942, in which post he showed some energy in collecting wheat, though his administration of the funds of the shrine laid him open to various accusations of embezzlement. Recalled from Khurasan in the autumn of 1945. Governor-General, Azerbaijan, December 1946-July 1948.

Elected to the Constituent Assembly from Tehran April 1949. President of the Council of the 7-Year Plan May 1949.

Prime Minister March-June 1950. Ambassador at Rome July 1950-December 1951. A clever man, addicted to money. Speaks French.

111. Mas'ud, Akbar (Sarim-ud-Dauleh)

Born 1885. Eighth, and second surviving, son of Mas'ud Mirza Zill-us-Sultan, son of Nasir-ud-Din Shah. Was early recognised as one of the most intelligent of the Zill's fourteen sons, and now has succeeded to the major part of his father's inheri-

tance. Minister of Public Works and Commerce 1915. Minister for Foreign Affairs 1916. Governor of Isfahan in 1917. Minister of Finance in Vusqu-ud-Dauleh's Cabinet of 1919; one of the triumvirate who arranged the abortive Anglo-Persian Treaty of 1920; Governor of Kermanshah and Hamadan in November 1920. Governor-General of Fars 1922-23, and again in 1929. Arrested shortly after the fall of Firuz Mirza in 1929, and kept under surveillance near Tehran for several months. Thereafter lived quietly in Tehran till 1932, when he was allowed to return to his vast properties in and around Isfahan.

Killed his own mother at his father's instigation on a point of honour in 1906. He seems to have lived down the odium of this deed. Has been several times to Europe and has visited England. Speaks English and French fluently and is pleasant-mannered, clever and intelligent. The two-fold stigma of being pro-British and a Qajar prevented him coming back to power during the régime of Riza Shah. At the fall of Riza Shah he at first continued aloof from public affairs, though he kept in touch with what was going on. He has now become the unofficial controller of almost everything in Isfahan, displaying commendable initiative in supporting such improvement projects as the Kuhrang tunnel and the thermal power station in Isfahan. He takes a great pride in his model village at Asgharabad, near Isfahan. Has one surviving son and two daughters. A famous hunter.

Is on good terms with the present Royal Family and accommodates members of it when they visit Isfahan. (He was the twenty-fourth person to see the Shah after the *attentat* and gave a large sum of money to the Imperial Social Services as a thanksgiving for the Shah's deliverance.)

Headed the poll from Isfahan in the elections to the Constituent Assembly April 1949. Successful in first stage of Senate elections in Isfahan and in Faridun autumn 1949.

112. Mas'udi, Abbas

Born in 1895 in Tehran. Educated in Tehran, and for a year in France. A journalist by profession. Proprietor with his brother, Jamal Mas'udi, of one of the two principal vernacular daily papers in Tehran (the *Ittila'at*) and of the French daily paper *Journal de Téhéran*. He accompanied the present Shah, when Crown Prince, to Iraq, Syria and Egypt on his wedding tour as press representative, and kept the Tehran press supplied with a stream of accounts of the Prince's doings, in that quasi-religious style that alone was permitted to Persians when speaking of their monarchy. A Deputy in the 11th, 12th, 13th and 14th Majlises.

In the 13th Majlis came out strongly in opposition to Qavam-us-Saltaneh, being severely beaten by some of his opponents in the riots of the 8th December, 1942. Visited Palestine and Egypt in May-June 1943. Appointed Director of Iran Airways December 1944. Visited United States in April 1945, as one of several representatives of the Tehran press invited by the American Government. Covered the U.N.O. meetings in London in early 1946 as unofficial representative of the Persian press. Returned from America August 1947 and took over direction of *Ittila'at*.

Elected to 15th Majlis for Tehran which he also represented in Constituent Assembly April 1949. Elected Senator for Tehran October 1949.

Attended the Moscow Economic Conference in April 1952.

Can usually be relied on to keep in with whatever Government is in power.

113. Matin-Daftari, Dr. Ahmad

Born in Tehran 1898. A nephew of Dr. Musaddiq, whose daughter he has married. Educated in Tehran, partly at the American College. Entered the Ministry for Foreign Affairs in 1918. Persian

secretary to the German Legation in Tehran 1920-23. Returned to the Ministry for Foreign Affairs 1923-27. Joined the Ministry of Justice in 1927 and appointed Attorney-General of the Court of Appeal. Sent to Europe by the Ministry of Justice in 1929 to take up an advanced course of law, during which he studied in Germany, and for a time was sworn in as a judge in a German court. Obtained a degree as doctor of law. Returned to Persia 1931. Director-General of the Ministry of Justice 1932. Acting Minister of Justice when Davar was away at Geneva in 1933. Under-Secretary at the Ministry of Justice 1934. Represented Persia at the International Law Conference held in Berlin in 1935. Minister of Justice 1936. Member of the mission to Egypt for the Crown Prince's marriage February-April 1939. Prime Minister October 1939.

Appeared pro-German in various negotiations while Prime Minister and was forced by Riza Shah to resign in June 1940 but in this may well have been scapegoat for the Shah. In 1943 was evidently hoping to re-enter the political arena. Arrested as a suspect June 1943 but soon released. Minister without Portfolio in Qavam's Cabinet February 1946.

Stood, unsuccessfully, as candidate for Tehran in elections for 15th Majlis, but was elected from Khiav. An active member of the Opposition which defeated Qavam-us-Saltaneh in December 1948. Elected Senator from Tehran October 1949.

Was visiting Pakistan in his official capacity of President of the Persian United Nations Association when the oil resolution was voted, March 1951. Member of the Mixed Oil Commission, May 1951, and of three-man delegation to supervise the take-over of the A.I.O.C., June 1951. Attended the Moscow Economic Conference in April 1952.

Speaks French, German, and English; he has travelled in England, where his son and daughter are at present at school.

Sly and plausible. Would undoubtedly like to be Prime Minister again. His ideas on foreign policy are very similar to Musaddiq's neutralism.

114. Misbah-Fatimi, Ali Naqi

Born about 1898. Related to Imad-us-Saltaneh (Mihdi Fatimi) of the well-known Isfahan family, though not related (he says) to Saifpur Fatimi and his brothers. Has had a career under the Ministry of the Interior, in various posts and inspection duties. Vice-Governor of Isfahan 1925. Governor-General of Khuzistan in 1940 and again in 1943. Replaced August 1949.

Speaks English and French. Got on well with the authorities of the Anglo-Iranian Oil Company with whom he co-operated satisfactorily during the labour troubles of the summer of 1946.

115. Misbahzadeh, Dr. Mustafa

Owner of the newspaper *Kaihan*. Head of Press and Propaganda Department June 1943. He was the Shah's candidate for Bandar Abbas in the 14th Majlis elections but was not successful. He was, however, elected from that constituency to the 15th Majlis and also represented it in the Constituent Assembly April 1949. Deputy for Bandar Abbas in the 16th and 17th Majlis.

Went to the United States in November 1949 to cover the Shah's visit for *Kaihan*.

Speaks English and French. Slippery and unreliable.

116. Mu'azid, Mas'ud

Born about 1890. Educated in the School of Political Science at Tehran. Entered the service of the Ministry for Foreign Affairs, and served in certain Russian posts, also Trebizond. A personal friend of Baqir Kazimi, who, when Minister for Foreign Affairs in 1934, appointed Muazid head of the second political section of the Ministry which

deals with Russia. Consul-General at Herat in 1937. Head of the Consular Department of the Ministry for Foreign Affairs November 1937. Counsellor, Angora, November 1938.

Returned to Ministry for Foreign Affairs about 1940 and in 1941 became the head of the Consular and Passport Department.

Persian Government representative at Beirut January 1944 with the rank of minister plenipotentiary. Withdrawn end of 1946. Appointed Director-General, Ministry for Foreign Affairs, March 1948. Joined Sardar Fakhir's Socialist Party in July 1949 and stood unsuccessfully for the Senate in Tehran. Ambassador to Karachi June 1950-December 1951, when appointed Ambassador to Cairo.

A somewhat dried-up individual. Speaks Russian and French.

117. Mufakhkham, Dr. Jamshid

Born c. 1910. Educated in Paris. Speaks English and French.

Head of the School of Arts and Crafts, autumn 1943. Director-General of Ministry of Commerce and Industry (later known as Ministry of National Economy), December 1946. Under-Secretary and Acting Minister of National Economy under Ala, March-April 1951. Appointed High Inspector when Musaddiq put in Zirakzadeh as Under-Secretary May 1951. Since beginning of 1952 has been acting as Under-Secretary, still with Inspector's appointment.

A sensible man, honest and conscientious; genuinely friendly towards us and has been very helpful to the British Council. Did good work on the Islamic Economic Conferences, both in Karachi, November 1949, and Tehran, October, 1950.

118. Muqaddam, Hasan, Major-General (Sarlashkar)

Born about 1890. Commanded at Mahabad in 1929. General Officer Commanding, North-West Division, December 1929. General Officer Commanding, Kurdistan Division, at Senneh 1936. When in Kurdistan had a reputation for efficiency and energy. Was the undisputed ruler of the Province of Kurdistan from 1938 to 1941. General Officer in command of the troops in the West when the Russo-British invasion took place in 1941, and after handing over to the invading forces retired to Tehran.

Being an old friend of Riza Shah he was retained in the army and in June 1942 was made Governor-General of Azerbaijan till August 1943. Ministry of War Inspector, June 1945, but retired in 1948. Successful in first stage of Senate elections in Maragheh. Military Governor, Tehran, for period of Martial Law from 16th July, 1951.

Muqaddam gives the impression of being a clever though cautious old soldier, unable to resist the temptation to make money whenever possible. His daughter is married to Riza Qavam, son of Qavam-ul-Mulk.

119. Muqbil, Ahmad

Appointed Under-Secretary at Ministry of Finance in February 1944 but resigned in September 1944. A member of the Supreme Economic Council April 1945, and in August 1945 was sent to United Kingdom, France and United States to study economic and financial affairs. Minister of Agriculture under Sa'id November 1948-November 1949. Member of 7-year Plan Council April 1950. Went to United States, November 1950, as one of three-man delegation to sign the \$25 million Exim Bank loan. Still there and as a result appears to have lost his seat on the Plan Council.

Quiet and friendly. Not a prepossessing personality and lacks drive. Is co-operative, and B.M.E.O. advisers found him helpful. Both he and his Polish wife know little English but speak fluent French.

120. Musaddiq, Dr. Muhammad (Musaddiq-us-Saltaneh)

Born about 1885; a nephew of Farman Farma. Has studied law in Paris to a certain extent and poses as a jurist. Appointed Governor-General of Fars in 1920. Appointed Minister of Finance in June 1921, and sought and obtained authority from Parliament to purge and reform that Ministry. However, during his six months' tenure of that portfolio he destroyed indiscriminately the good with the bad, and at the end the organisation was worse than before, as he proved himself entirely incapable of making reforms. Appointed Governor-General of Azerbaijan in 1922; and in 1923 became Minister for Foreign Affairs for a period of four months. Elected Deputy to the 4th, 5th and 6th terms of the Majlis from Tehran. Owing to his opposition to the Government in the 6th term, steps were taken to prevent his election to the 7th Majlis.

Imprisoned and otherwise ill-treated by Riza Shah, he spent the last few years of Riza's reign in a village near Tehran. Headed the poll in the Tehran elections in 1944. Tried unsuccessfully to unseat Sayyid Zia.

Sponsored the Oil Law of December 1944 prohibiting the grant of any oil concession until after the departure of all foreign troops from Persia. Made a determined effort to be re-elected to 15th Majlis but, though he obtained a large number of votes, was defeated by the candidates of the Iran Democrat Party.

Headed the poll in the first stage of the Senate elections in Tehran October 1949, but was not elected in the second stage. Led a deputation of twenty "National Front" supporters, who took "bast" in the Shah's Palace for five days in October 1949 as a protest against the conduct of the 16th Majlis elections. Headed the poll in both the initial Tehran 16th Majlis elections and the re-held ones in February 1950; with him were elected seven other members of his National Front.

Chairman of Majlis Oil Commission, June 1950. Submitted proposal for nationalisation of oil industry, February 1951. Forced the Oil Commission to approve a general resolution in favour of oil nationalisation the day after Razmara's assassination, 8th March, 1951. A demoralised and intimidated Majlis and Senate approved the resolution unanimously and when Ala refused to accept the nine-article Bill drawn up by the Oil Commission voted in favour of Musaddiq becoming Prime Minister, which he agreed to do on condition that they first approved the nine-article Bill. He presented his Cabinet to the Shah on 2nd May, 1951, the same day as the Shah promulgated the nine-article Law.

A clever political manipulator and demagogue. He has worked on Persian xenophobia to make himself something of a national hero and by skilful use of intimidation secured the mastery of the 16th Majlis. He has, and admits that he has, no positive programme for the betterment of his country. Opposed to any interference by the Shah in the conduct of Government business and to the Shah's recently acquired prerogative of dissolving the two Chambers.

From the summer of 1951 onwards his control of the 16th Majlis gradually weakened as did his hold on public opinion. Despite his greatly weakened position he contrived to maintain himself in power until the opening of the 17th Majlis, the elections to which were to a large extent rigged by his supporters.

Attended The Hague Court from 28th May to 24th June, 1952.

Obtained vote of inclination from the 17th Majlis on 6th July, 1952.

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121. Musavizadeh, Ali Akbar

President of Provincial High Court of Ustans 1 and 2 in May 1942. Was suspected of pro-Axis activities in World War II and was interned by the British and released in July 1945. Was not a prominent fifth columnist and is said, by the Minister of War, to bear the British no ill-will for having been interned. Member of delegation under Muzaffar Firuz which went to Tabriz in 1946 to announce agreement between Central Government and Democrats. Member of Qavam-us-Saltaneh's Democrat Party of Iran 1946. Member of Elections Supervisory Council 1946. Appointed Governor-General of Tehran in October 1946, but did not take up the appointment owing to his inclusion in Qavam-us-Saltaneh's Cabinet of October 1946 as Minister of Justice.

Dropped from Cabinet in June 1947 and appointed Governor-General of Tehran. Relieved of this appointment in January 1948.

122. Mushar, Yusuf

Born c. 1885. "Chef de Cabinet" to Sayyid Zia-ud-Din at the time of his *coup d'Etat*, 1920. During the early part of Riza Shah's reign he was once Minister of Education and also a Deputy. Then removed from office and retired to his lands near Lahijan, where he cultivated tea. Resumed political activities after occupation of 1941 and became closely associated with Sayyid Zia. Minister of Posts, Telegraphs and Telephones under Sa'id, August 1944.

Contributed newspaper articles to *Bakhtar* and *Sitareh*. Joined National Front on its formation and in October 1949 took "bast" with Dr. Musaddiq in the Palace in protest against the conduct of the 16th Majlis elections. Minister of Posts, Telegraphs and Telephones under Musaddiq, May-September 1951.

Elected as one of the National Front Deputies for Tehran to the 17th Majlis.

123. Mushavir, Dr. Fazullah

Formerly an inspector in the Agricultural Bank, he has been associated with the Planning Organisation since its inception and became a foundation member of the Council of the 7-Year Plan May 1949. Resigned August 1949.

Said to be capable and intelligent. Speaks French fluently, and English.

124. Mu'tamidi, Ali

Born about 1897. Entered the service of the Ministry for Foreign Affairs about 1919. Served abroad as secretary at various posts; *chargé d'affaires* at Rome in 1933. Head of the Third Political Department of the Ministry (which dealt with British affairs) in 1934 and 1935. Transferred to direct the First Political Department June 1936. Hard-working and intelligent; a good type of the younger school, who showed himself reasonable and conscientious in dealing with our affairs in the Ministry. Head of the Department of Registration of Land and Documents under the Ministry of Justice March 1938. When the Minister of Justice (Matin-Daftari) was made Prime Minister in October 1939, he took Mu'tamidi with him as Private Secretary.

Married the sister of Ghulam Ali Khajeh-Nuri. Private Secretary to the Prime Minister in Suhaili's Cabinet of 1942, and became Minister of Posts and Telegraphs for a few days at the end of Qavam-us-Saltaneh's Cabinet February 1943. Was also in charge of the Road Transport Board in 1942 and 1943. Appointed Consul-General at Delhi July 1943. Member of Advisory Council of Anglo-Persian Institute 1943.

Became first Persian Ambassador to India 1947. Appointed to Hakimi's Cabinet as Minister of Roads

and Communications January 1948 but did not accept office. Also refused Hahzir's offer of office June 1948. Resigned his ambassadorship in November 1948 as a protest against conditions in Persia. Since then he has lived in retirement at a village near Tehran.

Honest. Speaks French, Italian and a little English.

125. Nabavi, Taqi (Muazziz-ud-Dauleh)

Born in Tehran 1882. Joined the Ministry for Foreign Affairs in 1899. Consul at Batum 1908. Consul at Ashkabad 1910. Karguzar (Government agent) at Meshed in 1912. Consul-general at Tiflis 1919-21. Has served as consul-general in India. Minister for Foreign Affairs for two months in Sayyid Zia's Cabinet of 1921. Consul-general in Syria 1930. Minister in Iraq 1931-32. Appointed president of the Iran-Soviet Caspian Sea Fisheries Company 1935. Minister at Brussels August 1937. Recalled August 1938.

Head of the Caspian Fisheries Board again 1940. A difficult post which he seemed to occupy with some success, as he knows Russians well and was often able to frustrate, by a little diplomacy, the Russian plans to gain complete control of that undertaking. Appointed minister at Lisbon October 1944, but did not proceed as the plans to open a legation there fell through. In November 1946 left the Caspian Fisheries to become minister at Prague. Replaced February 1951.

A corpulent little man, speaking French, Russian and English. Was well in with Taimurtash, but survived the latter's fall. Suspected of making irregular use of customs privilege while employed abroad. Quite a well-disposed person, though not exceedingly intelligent.

126. Nabil, Fazlollah

Born 1895.

Chargé d'Affaires in London, end of 1937 to early 1941. Head of Confidential Office of Ministry for Foreign Affairs, July 1943. Head of Third Political Department, February 1944. Administrative member of delegation to San Francisco, April 1945, and to the United Nations, December 1945. Delegate to the United Nations, September 1947. Minister at Warsaw, 1948. Transferred to Stockholm, September 1950. Returned to Persia and appointed Under-Secretary at Ministry for Foreign Affairs, April 1951, in which post he has done his best to be helpful in adverse circumstances.

Speaks French and some English.

127. Nafisi, Habib

Born about 1909. Son of Dr. Mu'adib-ud-Dauleh. Educated Toulouse University and Paris, qualifying as an engineer. Completed practical training in the United States (three years), Czechoslovakia and Germany. On return to Persia was employed as a technical expert in the administration and management of State factories and was for a time director of the Tehran Small Arms Factory. Then employed as Director-General in the Ministry of Industry and Commerce where he became increasingly interested in social problems and employment conditions. He drafted the first Persian Labour Law approved by the Council of Ministers in May 1946. Was appointed Under-Secretary of the newly-formed Ministry of Labour and Propaganda, to which labour functions previously performed by Ministry of Industry and Commerce were transferred in May 1946. In 1947 succeeded in separating propaganda functions from Ministry of Labour. It was almost entirely due to his enthusiastic and insistent efforts that the Labour Law was finally approved by formal vote of the 15th Majlis in June 1949. Replaced during Razmara régime but was reappointed Under-Secretary and Acting Minister of Labour under Ala,

March 1951. Has remained Under-Secretary under Musaddiq.

He shows a wide interest in social services, whether or not within the official scope of his Ministry; in 1948 he established an experimental trade training centre in Tehran, he works hard for the Royal Organisation for Social Services, and he has inspired an embryonic co-operative movement in Persia.

He has paid numerous visits to Europe, to London in 1945 to study the organisation of the British Ministry of Labour and National Service, and to International Labour Organisation Conferences in Paris (1945), Geneva (1947), Geneva (1949). A great admirer of British achievements in social and labour spheres, and pro-British in so far as this does not conflict with his strong nationalism. Extremely hard working, conscientious and apparently honest. Through his late father who was in charge of the Shah's education, and his second wife who was a lady-in-waiting to Princess Ashraf, Nafisi has close contact with the Royal Family.

His first wife, by whom he has a son born about 1942 and now at school in Switzerland, was drowned at Geneva in 1947. In 1948 he married the niece of Mustafa Adl (Mansur-us-Saltaneh).

Speaks fluent French and English.

128. Nafisi, Hasan (Musharraf-ud-Dauleh)

Third son of the late Dr. Nazim-ul-Atibba. Born in Tehran 1896. Educated in Persia and went to France in 1909, where he graduated from the Lycée Henri IV. Returned to Persia in 1914 and joined the Ministry of Finance. On the staff of that Ministry till 1921, when he was appointed Director of the Inspection Department of the Tehran Municipality. Left for France in 1922, where he studied law for two years. Obtained the degree of doctor of law from the University of Paris, and the diploma of the School of Political Science. Returned to the Ministry of Finance for two years in 1925. Assistant to the procureur général of the Court of Appeal in 1927, and in 1928 president of the Tribunal of Commerce. Joined the staff of the Anglo-Iranian Oil Company as legal adviser in 1928. Visited London 1929. Left the company's service in 1930, and set up private practice as an advocate in 1930; but remained the company's lawyer. Has one of the best legal practices in Tehran. Visited London again in 1933 and 1935.

Minister of Finance in Furughi's Cabinet 1941, and did good work in the difficult task of reconstructing the country's finances on a new basis. Resigned with that Cabinet early in 1942. Persian Government representative to International Bank in 1946. Appointed Financial Adviser to the Prime Minister under Qavam-us-Saltaneh autumn 1947 and charged with preparation of preliminary report on Seven-Year Plan. Within one month produced report which was basis of subsequent legislation. Post as Financial Adviser abolished January 1948, but he remained chairman of Provisional Planning Authority until the end of the year when he resigned after disagreeing with Sa'id's Cabinet over the staffing of the Planning Authority. Was appointed Member of the Council of the Seven-Year Plan May 1949 and Managing Director of the Plan August 1949-July 1950. Successful in first stage of Senate elections in Tehran October 1949.

Married the daughter of Amin-ud-Dauleh in 1931. Speaks English and French. A very sensible man, with a sound knowledge of local and French law.

129. Nafisi, Sa'id

Second son of the late Dr. Nazim-ul-Atibba. Born in Tehran 1893. Educated in Persia and later in France. Returned to Persia in 1911, and was employed in the Ministry of the Interior. Transferred to the Ministry of Public Works in 1916, where he held different posts till 1927. Since then has been

professor of the Persian language and literature in various schools. Has also done a good deal of journalism for the *Ittila'at*, the *Journal de Téhéran* and other newspapers. Was also active in promoting the first Persian cinema film. Has a great reputation as a prose writer. Author of a life of the poet Rudaki, and of a French-Persian dictionary. Published some violently anti-British articles in the local press when the D'Arcy Concession was cancelled. Has a certain knowledge of the Pahlavi language. A member of the Iranian Academy (Farhangistan).

A scholar of sorts and an active propagandist of pro-Russian views. Visited Moscow in autumn of 1945. In the latter part of 1949 and early 1950 was in India in connexion with the "Peace through Education" movement.

Prominent in the Soviet-Iranian Cultural Society.

130. Naisari, Abbas Quli

Aged about 44, son of Amir Hishmat Naisari, a well-known Azarbaijani figure. Graduate of Birmingham University. Employed many years in the Bank Milli, but his progress was hindered as he did not get on with the governor, Abul Hasan Ibtihaj. When the latter left the bank, Naisari was appointed deputy governor. He is solid and outspoken. He is openly pro-British and is co-operative at all times. He plays bridge, tennis and squash. He speaks English fluently. His wife speaks only Persian and does not go out much.

131. Najm, Abul-Qasim

Born in Tehran 1893. Son of the late Najm-ul-Mulk, a noted astronomer.

Educated at the School for Political Science at Tehran. Entered the service of the Ministry for Foreign Affairs in 1911. Chief accountant at the Ministry 1920-24, and again from 1926-28. Transferred to the Ministry of Finance, and appointed Director-General there in 1930. Under-Secretary to that Ministry in 1933. In November of that year appointed minister to Germany. Minister in Tokyo early 1940; recalled on rupture of relations 1942. Said to have expressed admiration for Japanese methods. Ambassador at Kabul 1943-45.

His Majesty's Minister, Kabul, reported that he was friendly but ineffective, his co-operation with His Majesty's Legation being adequate but no more. Understands English tolerably well. Minister in the short-lived Hakimi Government in the summer of 1945 but had not left Kabul when that Government fell. Minister for Foreign Affairs in Hakimi's Cabinet of November 1945. He did his best to deal with the Azerbaijan crisis but the difficulties were too great for him.

Minister of Finance in Hakimi's Cabinet December 1947-June 1948. Member of the Council of the Seven-Year Plan May 1949. Elected from Tehran October 1949 and resigned from Seven-Year Plan on opening of Parliament February 1950. Mentioned as possible Prime Minister March 1950 but Majlis opposition was too strong.

Member of Mixed Oil Commission May 1951.

A very negative person.

132. Nakha'i, Muhammad

Born about 1902. Educated in Persia; speaks French.

Secretary of the Persian Legation in Brussels from 1928 for some years, and then remained in Belgium teaching Persian. Also studied law, and eventually returned to Persia to join the National Bank as head of its legal department. Later transferred to the Ministry of Finance as private secretary to the Minister (General Amirkhusravi). 1941 became president of the Exchange Commission. At the end of 1943 private secretary to the Prime Minister (Suhaili). Has visited England, and his thesis for his

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doctorate was a dissertation on *Le Pétrole en Iran*. In autumn 1943 helped to organise Government Employees' and Tenants' Association. President of Association of Iranian graduates of Belgian Universities.

Minister of Commerce in Sa'id's reconstituted Cabinet of August 1944. Minister of Agriculture in Sadr's Government in 1945. Minister without Portfolio November 1949 and then Minister of Agriculture January 1950 and of Labour February 1950 under Sa'id. Continued in this last office under Mansur April 1950 and Razmara June-August 1950, when he was appointed managing director of the Seven-Year Plan, in which capacity he was not very successful. Replaced May 1951.

Capable, intelligent and well-disposed towards us. Brother of Dr. Husain Quds. Brother-in-law of Najm. Married a Belgian while in Brussels for medical treatment 1949-50.

133. Nakhjivan, Muhammad (Amir Muvassaq) General (Sipahbud)

Born at Tehran about 1882. His father was an officer in the Cossack Brigade. Educated partly in the Russian Military School at Tiflis. On his return to Persia he joined the Cossack Brigade. Director of the Military Academy at Tehran in 1922, as a reward for loyalty to Riza Shah; he had previously been engaged in the fighting in Gilan with the Bolsheviks and Kuchik Khan. In 1928 appointed Acting Chief of the General Staff. Acting Minister of War in August 1934; attained the rank of Amir Lashgar in 1935. Relieved of his functions as Acting Minister in April 1936. Head of the Persian Staff College from 1942 till February 1949 when he retired from the army on being nominated Senator for Tehran.

An exceedingly stupid, fat man, who appears to owe his high appointments to a habit of carrying out orders with no comment. Very susceptible to flattery. Openly critical of Russia.

Speaks Russian, French, German and a little English.

134. Naqdi, Ali Asghar, Major-General (Sarlashkar)

He originally served in the Persian Cossack Division and attended the Military Schools at Fontainebleau and Poitiers. In 1929 he was officiating commander of the Khuzistan Division and in 1931 commanded the 1st Infantry Brigade. In April 1941 he was promoted Sarlashkar and given command of the 2nd Division (Tehran). In November the same year he was thought to have retired, but was later serving as head of the Judicial Directorate and in January 1944 became head of the Conscription Directorate. Was still in this appointment when Ala made him Minister of War, March 1951. Held same office under Musaddiq, May-December 1951.

A mild, retiring man who keeps aloof from politics. He is old and likely to retire soon. Speaks Russian and French.

135. Nasir, Ali Asghar

Aged about 45. Manager of Bank Milli bazaar branch for many years until August 1951, when he was appointed vice-governor of the bank, on the recommendation of Abul Hasan Ibtihaj (Personality No. 76), to act as mentor to the new governor. He went to London with the latter soon afterwards for discussions with the Treasury and Bank of England and created a very favourable impression. He has been acting governor of the bank since November 1951. He is essentially a banker and avoids politics, does his best to follow sound banking principles and to protect the position of the Bank Milli. He resists Government pressure well for a Persian, but is apt to give way in the end. He is honest, frank,

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very friendly and has a charming personality. He goes out of his way to keep on the best of terms with the Bank of England.

He speaks English fairly well and French fluently. He plays an excellent game of bridge. His wife, who speaks only Persian, is attractive and lively.

136. Nasr, Sayyid Ali

Born Tehran about 1890, of a well-known family of Sayyids, one of whom was assassinated while serving in the Finance Ministry in 1924. A Government servant whose career has been mostly in the Finance Department, under which he has served in Khuzistan and on various inspection duties. Ministry of the Interior as Assistant 1943, and was in charge of the Ministry on the departure of Tadayyun in December 1943. Appointed Minister to China January 1944. Promoted Ambassador when status of Legation was changed to that of an Embassy in February 1945. Minister of Posts and Telegraphs under Qavam June-September 1947. Ambassador at Karachi March 1949-June 1950.

One of the moving spirits in the Persian repertory theatre at Tehran; in his youth he was an actor, and has translated and adapted for the Persian stage a number of foreign plays, including those of Molière. Speaks French.

137. Nasr, Taqi

Born c. 1909.

Was chief of the economic section of Ministry of Finance before becoming the head of the Agricultural Bank. In 1941 went to United States as Ministry of Finance delegate on a permanent Persian trade and finance mission in Washington. Was deputy Persian representative first on the International Monetary Fund and later at the International Bank. Recently has been working in the United States with a Persian-American trading group. In the past eight years he has spent very little time in Persia. Appointed executive director of Seven-Year Plan May 1949. Resigned August 1949 and went to United States. Returned to become Minister of National Economy under Sa'id January-March 1950. Minister of Finance under Razmara June 1950; dropped October 1950.

He is a close friend of Prince Abdur Riza whom he assisted in his studies in the United States. He is keen, intelligent and adaptable, but showed deplorable lack of courage and staying power in deserting from the Razmara Government while abroad on an official mission for it. Since this episode he has not returned to Persia.

138. Navab, Saifullah

Born about 1893.

Educated in France.

Formerly Director-General of Census and Civil Registration Department, he became a member of the Economic Advisory Committee April 1945. Governor-General of Mazandaran in September 1945 and again in February 1949. In between these two appointments he returned to the Census and Civil Registration Department. Recalled from Mazandaran August 1949. Successful in first stage Senate elections in Tehran October 1949. Governor-General of Mazandaran again April-September 1950. Director-General of Census Department again December 1950. Speaks fluent French.

139. Nikpay, I'zaz (Azizullah)

Born in 1896. Educated by the Church Missionary Society at Isfahan and at the American College in Tehran. Speaks English and French. Started his career in the Ministry of Finance. Director of a large and important mill in Isfahan. Governor of Kermanshah in 1940-41. Represented factory owners at International Labour Conference in Paris

October 1945. Governor-General of Kermanshah May 1946 when he set himself almost unreservedly the task of promoting Government interests in face of increasing Tudeh displeasure. Until the time of his recall to Tehran, he resolutely pursued his policy of strengthening Right-wing opposition to the Tudeh, and where unsurmountable opposition was not encountered, he directed local affairs with exemplary efficiency. Political Under-Secretary and Assistant to the Prime Minister, Qavam-us-Saltaneh, in July 1946; granted Ministerial rank September 1946 and Minister of Posts, Telegraphs and Telephones under Qavam-us-Saltaneh in October 1946. Resigned December 1946 to become a candidate for Isfahan in the elections for the 15th Majlis: was elected and thereafter reappointed Minister. Dropped from the Cabinet in June 1947.

A zealous administrator and apparently pro-British. Intelligent. An intriguer, not entirely honest, but thrifty and capable. Appears to be enlightened on matters regarding relations of employer and employee. A supporter of Qavam-us-Saltaneh.

140. Nikpur, Abdul Husain

A rich Tehran business man who first made his way when Taimurtash was Minister of Court. He owns most of the shares in the Tehran glass factory. Has been President of the Tehran Chamber of Commerce for the last twenty years and has considerable influence in the bazaar. He was Deputy for Tehran in the 13th and 15th Majlis and was elected Senator for Tehran in October 1949. He has been in opposition to Musaddiq from the summer of 1951 to the present. A crafty man who prefers to work for his political aims by indirect means. Appears to believe in co-operation with the British, and is a vigorous supporter of Qavam-us-Saltaneh.

141. Nurzad, Ghulam Riza

Born in Tehran about 1880. Educated in Tehran. Entered the service of the Ministry for Foreign Affairs in 1905 and held different posts in various consulates in Russia. First secretary of the Embassy at Moscow in 1922. Counsellor there in 1924, and later Chargé d'Affaires. Chief of a section at the Ministry 1929. Consul-general at Delhi 1933. Head of the Consular Department, Ministry for Foreign Affairs, November 1938.

Consul-general at Istanbul May 1941. Recalled July 1943 and appointed head of the International Relations Department in the Ministry for Foreign Affairs November 1943. Transferred to the Court 1944. On committee of Russo-Persian Cultural Relations Society 1944. Is now Chief of the Imperial Court.

Speaks French and Russian, as well as a certain amount of English. A rather long-winded person, but quite harmless.

142. Pahlavi, Muhammad Riza Shah

The eldest son of Riza Shah by the daughter of Taimur Khan; this lady was the ex-Shah's chief consort and was known as the "Malikeh."

Born on 26th October, 1919, and proclaimed Valiahd, or heir-apparent, on 1st January, 1926. Educated in Tehran under tutors at first, and then in Switzerland at La Rosey, under the direction of Dr. Muadab Nafisi. Returned to Persia in the spring of 1936. Speaks excellent French and good English.

Betrothed in June 1938 and married Princess Fauzieh, sister of King Farouk of Egypt, at Cairo on 15th March, 1939. The marriage was preceded by a very pompous journey through Iraq, Syria and Egypt. The principal wedding festivities took place in Tehran in April, on the couple's arrival, and were attended by delegations from many countries,

including the Earl of Athlone and Her Royal Highness Princess Alice, the Duke of Spoleto and General Weygand. The only offspring is one daughter, Shahnaz, born in 1940. Queen Fauzieh left for Egypt in 1943 and never returned. Her divorce by mutual consent from the Shah was announced on 19th November, 1948, and attributed to the fact that her health did not permit her to live in Persia.

On 11th October, 1950, he was betrothed to Mlle. Suraya Isfandiari, the 18-year-old daughter of a minor Bakhtiari khan and a German mother. The marriage, postponed because of the bride's ill-health, took place on 12th February, 1951.

Muhammad Riza succeeded to the throne on the abdication of his father in September 1941. From the first he took a considerable part in public affairs and he showed an unmistakable sign of his intention to exert his influence in State matters when in 1946 he conceived a strong antipathy to Qavam. Eventually it was due to his active intervention that Qavam fell from power at the end of 1947.

His private visit to Britain in July 1948 was a considerable success and he created a good impression.

On the 4th February (15 Bahman) 1949 an attempt was made on the Shah's life. His escape was miraculous and created a profound impression. The Shah's bearing on this occasion greatly enhanced his prestige. He then decided to introduce the constitutional reforms which he had been contemplating for over a year and in which he considered the primary remedy for the country's deplorable condition lay, and the Constituent Assembly, in May 1949, granted him the right to dissolve either Chamber.

In November 1949 the Shah left for a visit to the United States which lasted for six weeks. From 1st-16th March 1950 he visited Pakistan. An event of great personal importance to himself took place in May 1950, when, in an impressive ceremony, he attended the re-burial of his father, Riza Shah, in a mausoleum especially constructed at the principal shrine near Tehran.

An official visit to Jordan, planned for April 1951, returning King Abdullah's visit of July-August 1949, was postponed at the last minute because the Shah had an attack of appendicitis. Fearing complications, he later arranged for American doctors to attend him and he was successfully operated on for appendicitis on 5th July, 1951; no complications were found.

The Shah is well-informed, intelligent, but timid and irresolute. Although he has not the forcefulness of his father, whom he greatly admires, he is determined to do his best for his country, and with his recently increased constitutional powers it is to be hoped that he will develop a greater self-confidence and more balanced judgment. His greatest weakness is his inability to select wise counsellors and his readiness to listen to the advice of the first-comer, including some worthless adventurers. He is susceptible to the influence of his twin sister, Princess Ashraf, and in a diminishing degree to that of his mother, who is said to make a practice of comparing him unfavourably with his autocratic father. He is a keen all-round sportsman and a good amateur pilot. He is also a very hard worker. He has a lively apprehension of Soviet designs, is inclined to be irritated by American ineptitude and, attributing the fate of his father to the British, is suspicious of them fearing that they might one day bring about his removal from the throne. He is still to some extent torn between a partiality for liberal institutions and methods, which is no doubt the product of his Swiss education, and an ardent desire to transform the economy of this corrupt and backward country. Unfortunately, during the past difficult twelve

months, the Shah has disappointed the hopes held in him. He has consistently shown himself to be irresolute and timid.

143. Pahlavi Royal Family

The following are recognised members of the Pahlavi Royal Family:—

Sons—

(i) Shahpur Ali Riza

Born 1st March, 1922.

He was sent away from Persia soon after his father's abdication in 1941 and remained abroad, nominally completing his education, until February 1948, when he returned unexpectedly to Tehran. During his absence he married a Polish woman in France, but the marriage has not been officially recognised. He is reported to be a man of violent character and to have inherited much of his father's temperament, but since his return to Tehran has behaved quietly. In the spring of 1950 he began to show an interest in political affairs, but he does not impress one as having any grasp of them.

Went to Germany for medical treatment, 1st-29th April, 1951.

Was impressed with his first visit to England where he represented the Shah at the funeral of His Late Majesty King George VI. Impatient of the Shah's weakness and vacillation. Very fond of Princess Ashraf. Has a passion for shooting.

(ii) Shahpur Ghulam Riza

Born 13th April, 1923.

He was married in January 1948 to Huma A'lam, daughter of Dr. A'lam and granddaughter of Vusuqud-Dauleh. Made a second lieutenant in the army in 1947 after passing out from the Officers' Training College in Tehran. Went on a cavalry course in France, July-October 1949. Has, apparently, an amiable disposition.

(iii) Shahpur Abdur Riza

Born 19th August, 1924.

He returned to Tehran in January 1948 after several years at Harvard University. He has made a good impression on those who have met him. Went to United States again in 1948 for medical treatment but returned to Persia on the passage through the Majlis of the Bill relating to the Seven-Year Plan of the Organisation for which he was appointed honorary president May 1949.

Began his military training at the Officers' School at Tehran May 1950 and has since taken less interest in the Seven-Year Plan.

Was operated on by same American doctors as the Shah, 5th July, 1951. Married Pari Sima, daughter of Ibrahim Zand (q.v.) and divorced from previous husband, Engineer Hushang Afshar, 12th October, 1950.

Son born in March 1952.

(iv) Shahpur Ahmad Riza

Born 17th September, 1925.

Mentally not normal. Married to Simin Bahrani of Tehran, who bore him a daughter 10th March 1949.

(v) Shahpur Mahmud Riza

Born 3rd October, 1926. Educated in the United States at Michigan University. Returned to Tehran, November 1950.

(vi) Shahpur Hamid Riza

Born 4th July, 1932.

An unruly boy, who three times ran away from school in the United States. Finished his schooling in 1948 and is now in Tehran.

Married Minu Daulatshahi, 15th March, 1951.

Daughters—**(i) Shahdukht (Princess) Shams-ul-Mulk**

Born 18th October, 1917.

Married, first, Faridun, son of Mahmud Jam; one daughter; divorced; second, Mihrdad Pahlbud, a man of low origin, by whom she has two sons.

The Princess is president of the Red Lion and Sun Society. Has travelled in the United States and also, in 1949, in Europe, seeing hospital and welfare work.

Conveyed the Shah's proposal of marriage to Suraya and brought her back to Tehran from Paris, 7th October, 1950. Is very much "elder sister" to Suraya.

Makes a serious and creditable attempt to behave as a patron of the arts and of charity.

(ii) Shahdukht Ashraf-ul-Mulk

Born 24th October, 1919, a twin sister of the Shah.

Married, first, 1937, Ali Qavam, son of Qavam-ul-Mulk, divorced 1942; one son, Shah-Ram; second, Ahmad Shafiq, an Egyptian of good family, who for some time has been Director of Civil Aviation. By him she has one son and a daughter born 28th November, 1950.

The Princess visited Moscow in 1946 and the United States and United Kingdom in 1947 to study social welfare organisations. Visited India and Pakistan in November 1948 and Europe November 1949–February 1950.

Much criticised for interference in political and administrative matters. The Shah was obliged by Musaddiq to send her away and she left for Switzerland in September 1951. Returned to Tehran July 1952 and left again with her family for Europe on 2nd August, 1952.

She is violently anti-Musaddiq and a supporter of Qavam-us-Saltaneh. She is very critical of the Shah's weakness.

(iii) Shahdukht Fatimeh

Born 30th October, 1929.

Went to school in the United States. Returned to Tehran 1948. Accompanied Princess Shams to the United States again May 1949. Returned with the Shah as far as Rome, December 1949, and there married an American medical student, Vincent Lee Hillyer, April 1950, without the Shah's permission. Deprived of Royal prerogatives, but on remarrying by Moslem rites was apparently forgiven. Both arrived in Persia in December 1950 but left again, June 1951.

Of the above, the following are the offspring of Riza Shah's first wife:—

Princess Shams.
Princess Ashraf.
Prince Ali Riza.

Riza Shah's second wife was Malikeh Turan, who was of Qajar stock on her father's side. She bore Ghulam Riza, but was divorced after three months. (In 1942 she married an obscure merchant in Tehran named Zahirullah Malikpur).

Riza Shah's third wife was Ismat-ul-Mulk, a Qajar Princess of the Daulatshahi family. She bore him four sons and a daughter, i.e.—

Prince Abdur Riza.
Prince Ahmad Riza.
Prince Mahmud Riza.
Prince Hamid Riza.
Princess Fatimeh.

There is also a daughter, Hamdam-us-Saltaneh, who appeared at Court during 1950 and who has been granted the title of Her Royal Highness. She is the offspring of an earlier wife of Riza Shah who was divorced before he married the "Malikeh." She

has been married first to Colonel Ataba'i, Master of the Stables, and secondly to Dr. Amir Aslani, from whom she has also been divorced.

144. Pakravan, Fathollah (Amir-i-Arfa)

Born about 1885. First became known as a member of the 2nd Majlis, where it appears that he was the laughing-stock of his colleagues. In 1910 he obtained the appointment of Persian Consul-General in Constantinople. From Constantinople he went to Egypt as consul-general, and later became Persian Minister there until he returned to Tehran early in 1925. In 1925 he was appointed Director of the Russian and Turkish section in the Ministry for Foreign Affairs. Appointed Persian Minister in Rome in December 1928. Appointed Persian Ambassador to the U.S.S.R. in February 1931. Was accredited also to Finland and Estonia as Minister in 1932. Recalled from Moscow in February 1934. Appointed Governor-General of Khurasan November 1934. Recalled and brought to Tehran under arrest on various charges of peculation and irregular conduct in February 1942 but was released without trial. Appointed ambassador to Italy late 1945. Left to take up appointment May 1946. Replaced June 1949.

Speaks French fluently. Has a Russian wife who speaks fluent English.

145. Panahi, Abul Qasim

A member of the well-to-do Azarbaijani family of that name. In his early career was in the Ministry for Foreign Affairs; after serving in London he became consul at Bombay from October 1943 to September 1945, when he became consul at New York. January 1948 was appointed head of the United Nations Department of the Ministry for Foreign Affairs. In November 1949 he was transferred to the newly formed Seven-Year Plan Organisation as Joint Director; in this post he worked very hard and seriously and won the esteem of the British and American officials who were attempting to help the Plan Organisation. Transferred back to the Ministry for Foreign Affairs in September 1950 as Director-General. Appointed Under-Secretary to the Prime Minister (Ala) in March 1951, but would not serve under Musaddiq. Since May 1951 he has been on the roll of the Ministry for Foreign Affairs, but without active employment.

Appears to be capable and energetic, a man of more public spirit than most.

146. Pirnazar, Hasan

Born in Tehran about 1895. Educated in Tehran. Entered the service of the Ministry for Foreign Affairs 1920. First Secretary in Cairo 1925. Chargé d'Affaires in Cairo 1930. Returned to Persia 1931. Consul at Bombay 1932. Consul-general at Baku 1935. Head of the economic section of the Ministry for Foreign Affairs 1941. Promoted Director-General 1943. Accompanied Qavam-us-Saltaneh to Moscow February 1946. Appointed Under-Secretary at the Ministry for Foreign Affairs January 1948. Appointed Minister to Yugoslavia end 1948 and arrived Belgrade October 1949. Also accredited to Bucharest, Sofia, Budapest and Athens.

Speaks French, Russian and some English. Seems a conscientious official.

147. Purvali, Abul-Qasim

Born in Tehran about 1896. Educated in Tehran at the School of Political Science. Entered the service of the Ministry for Foreign Affairs in 1921. A judge in the Foreign Office Tribunal from 1922 to 1924. Second secretary at Brussels 1925–27. First secretary at Rome 1927–30. Transferred to the Department of Commerce in 1931, and employed

there as chief of the Import Permits section. In 1933 chief of the Passport and Nationality section of the Ministry for Foreign Affairs. In 1934 appointed counsellor at Berlin. Consul-General, Hamburg, 1938. Head of Personnel Department, Ministry for Foreign Affairs, April 1939.

Head of the second section of the Ministry for Foreign Affairs, which deals with Iraq and Turkey, 1942. First Chargé d'Affaires and then Minister at Berne 1944–48. Minister at Beirut December 1949.

Married to a German lady.

Speaks French. A voluble little man, who has a great idea of his own importance, and has never gone out of his way to give us any help.

148. Qadimi, Dr. Husain

Born in Tehran 1895. The second son of the late Asadullah Qadimi, Mushar-us-Saltaneh. Educated in France, and holds a doctor's degree. Attaché at Paris 1918–21. His wife is French. At the Ministry for Foreign Affairs 1922–23. Secretary at Berne and for the League of Nations 1924–28. Chief of the League of Nations and Treaty Section of the Ministry 1929–32. Chargé d'Affaires at Stockholm 1932. Counsellor at Berne 1936. Director of the League of Nations Section of the Advisory Department of the Ministry 1937, and of the League of Nations Department, when that section was raised to a department in September 1938. Chargé d'Affaires at Berne 1941–44. Inspector, Ministry for Foreign Affairs, September 1949.

Speaks perfect French. A very efficient man at his job.

149. Qaraguzlu, Ali Riza (Baha-ul-Mulk)

Born about 1880. Owns property at Hamadan, and is a cousin of the late Nasir-ul-Mulk. Has lived in Europe for a number of years and is a graduate of the School of Political Sciences of Paris. Elected to the 4th Majlis as member for Hamadan. Appointed Minister of Finance in 1923, though he had held no Government office before. Resigned in April 1923, as he found that he was controlled by Dr. Millsbaugh. President of the Government Supervisory Board of the National Bank of Persia 1929–32.

Minister of Justice in Qavam-us-Saltaneh's Cabinet of August 1942; resigned in the following January without having accomplished anything valuable. An honest politician, but much too old to learn anything new or useful. Lives in Tehran; used frequently to visit Paris. A queer and eccentric man, with a reputation for honesty.

150. Qaraguzlu, Husain Ali

Second and younger son of the late Nasir-ul-Mulk, Regent of Persia. Born in 1900. Educated at Harrow and Balliol College, Oxford. Married the daughter of Taimurtash in 1931; and divorced her in 1935. An attaché at the Legation in London 1931. In the same capacity at Paris 1932. Returned to Tehran at the end of that year, and then employed in the Ministry for Foreign Affairs, at first in the Treaty Department, and from the end of 1936 in the Protocol Department. Transferred to the Ministry of Interior at the end of 1937.

Resigned from Government service in 1938 and took to chicken farming. After the fall of Riza Shah was not employed in Government service until he became secretary to Dr. Millsbaugh at the end of 1942; and in May 1943 was employed at Court, his brother-in-law, Ala, being Minister of Court. Accompanied the Shah to the United States December 1949 and remained there.

Charming but ineffective.

Speaks perfect English and French.

151. Nizam-Qaraguzlu, Husain Quli (Amir Nizam)

Born in 1883, the eldest son of the late Amir Nizam. A member of the Qaraguzlu family of Hamadan and a nephew of the late Regent, Nasir-ul-Mulk. Educated in England and Austria. Passed through the Military Academy at Vienna, and served with a commission in an Austrian infantry regiment for three years. Inherited large estates from his father in the district of Hamadan, but owing to his absence in Europe from 1921 to 1929 these estates have been allowed to deteriorate. Was appointed Governor of Kermanshah by Vusqu in 1919, where he was very popular on account of his honesty and integrity. Being a rich man he was imprisoned at the time of the *coup d'Etat* in 1921, and made to pay 20,000 tomans as the price of his release. He was so disgusted at this unmerited treatment that he left Persia and vowed never to return. During his stay in Europe he lost heavily at Monte Carlo and Deauville. Taimurtash met him in Europe in 1928, and persuaded him to return to Persia, which he did in 1929. Appointed Grand Master of Ceremonies at the Court in March 1929. Sent to Europe on private business for the Shah in March 1930 and returned at the end of December.

A reputation for honesty saved him from sharing his friend Taimurtash's fall. Grand Master of Court Ceremonies (Foreign) 1938. Dismissed owing to royal irritability during the Crown Prince's wedding celebrations in April 1939, and retired to his estate at Kabud-Rahang, near Hamadan.

An extremely agreeable and likeable man, with more than a veneer of European culture. Is the best type of educated Persian, and is noted for his honesty and integrity. Speaks fluently French, German and English.

Is tremendously rich with ample investments abroad. Devotes much time and energy to improving the lot of his peasants. Obstinate, but great force of character and personality. Has great influence in Hamadan area where he is looked on as experienced, wise and good. Honest, hard working and pro-British. In June 1945 bequeathed all his lands to his peasants and distributed copies of the will among them. Appointed the British Embassy and the Imperial Bank of Iran as two of the executors.

152. Qaraguzlu, Muhsin

Elder son of the late Nasir-ul-Mulk. Brother of Husain Ali and of Fatimeh, wife of Husain Ala. Brought into the Court by his brother-in-law; Comptroller of the Household to Queen Suraya, 1951.

A feeble, amiable creature with a decorative Egyptian wife.

153. Qashqa'i, Khusrau

Born 1921. Youngest son of the late Isma'il Qashqa'i (Saulat-ud-Dauleh). Was appointed Governor of Firuzabad in November 1943, but preferred making frequent trips to Tehran to living at his post. Made large sums of money by selling monopoly goods destined for the tribes at an enormous profit in the open market. Elected to 15th Majlis from Firuzabad. Went to Europe in December 1947. Spent a long holiday in the United States (1948–49) where he picked up English in a very short time. Deputy for Firuzabad in 16th and 17th Majlis. Member of the Majlis Oil Commission, June 1950, and was to all practical purposes a supporter of the National Front.

The reprobate of the family, he has great personal bravery and recklessness. Considered a hothead by his elder brothers and not altogether trusted by them. Inherits his father's cruelty and sadism, and is credited with a number of reckless killings. Has personal charm, considerable powers of persuasion

and a boundless capacity for making mischief. A spoilt child with a nasty nature.

Khusrau is intelligent but has an unfortunate propensity for intrigue and an unguarded tongue, which continually gets him into trouble. He is at present anti-British and pro-American and visited America in 1951, where he indulged his anti-British fancy.

154. Qashqa'i, Malik Mansur

Born 1905. Second son of the late Saulat-ud-Dauleh. Studied at Brasenose College, Oxford. Of hawk-like appearance and attractive personality, he talks much but slowly and tends to repeat himself. Speaks good English and German and a little French, Turkish and Turki. Reported to be loved by the tribespeople where Nasir is feared, since he is very interested in agriculture and the general well-being of the tribespeople. Devoted to tribal pursuits of hunting and riding. Says that he will do his utmost to oppose any Government interference with the tribe and that he is prepared to fight the army. The least untrustworthy of the Qashqa'i khans.

Returned to Persia late 1949 after undergoing medical treatment in Switzerland, where he again went for treatment in 1951.

Has great influence amongst the Boir Ahmadi tribes with whom he spent many years of his youth. He is very popular among the whole Qashqa'i confederation. Married the daughter of Jahangir Khan (Qashquli Kuchik Family) by whom he has a daughter.

155. Qashqa'i, Muhammad Husain

Born about 1907. Third son of the late Saulat-ud-Dauleh. Studied at Reading University, but left because of chronic asthma. Studied economics at Berlin University. Deputy in 14th, 15th and 17th Majlis for Abadeh. Elected to Constituent Assembly from Firuzabad April 1949. A voluble speaker. Excitable and untrustworthy.

He is known as the "merchant" brother. Not very popular in the tribe—he married a rich Tehrani girl, another cause for tribal criticism.

156. Qashqa'i, Muhammad Nasir

Born 1904. The eldest son of the late Isma'il Qashqa'i (Saulat-ud-Dauleh). Elected to the 8th Majlis as a member of the Qashqa'i. Ilkhani and the most influential chieftain of his tribe for a short time during 1930. Deprived of parliamentary immunity and arrested for conspiracy in 1932. Fled from Tehran during the general disorder in September 1941 and recovered his old position in Fars where he is now the accepted but not entirely undisputed leader of the Qashqa'i. Does not smoke or drink and is a model family man. Tall, broadly built, staring eyes, slight smallpox marks on face, of commanding presence. A fast talker and a good raconteur. Fond of town society and, when living in civilised surroundings, is very reasonable and amenable. When living with the tribes he seems to lose his balance (where matters outside the parochial affairs of the tribes are concerned) and to be easily misled. This instability probably results from his varied earlier experiences including imprisonment in Tehran with his father who died in captivity.

Until the summer of 1945, when he eventually screwed up courage to come to Tehran, he seems to have been generally in fear of re-imprisonment. His anxiety to consolidate his positions leads him, at the prompting of others, to see in himself a future Governor-General of Fars, Prime Minister and even Shah of Persia.

Speaks a little English and understands much. He had two Germans with him in 1943 and made a landing ground, intended for German aeroplanes, near Farrashband. He rebelled in 1943 and was

attacked by troops under General Shahbakhti but the operations were very half-hearted and soon fizzled out. In April 1944 he handed over the Germans who had taken refuge with him and undertook to co-operate with the Allies. Was a leader of a tribal revolt in Fars in summer of 1946 in which his brothers also took part. After some fighting the Qashqa'is came to an understanding with the Government and peace was restored. Elected to the 15th Majlis but did not take his seat. Deputy for Shiraz in the Constituent Assembly April 1949. Successful in first stage Senate elections in Shiraz and Firuzabad autumn 1949, and nominated Senator for Fars February 1950. Has this year been at some pains to show that he is not anti-British and to act as a mediator with Musaddiq over the oil dispute.

Muhammad Nasir Qashqa'i has made himself tribally unpopular by permitting the greed of his wife (Rudabeh Bibi) who wishes to seize all she can for Nasir's children (the eldest boy—Amanullah Khan—born c. 1922—is studying in the United States; the other son—Jingiz—born c. 1940—is with the tribe: there are several daughters—who of course count for little in the tribe).

Physically fit, a good leader of men. Neither very intelligent nor very trustworthy.

157. Qavam, Ahmad (Qavam-us-Saltaneh)

A brother of Hasan Vusuq, than whom he is younger by a few years. Began his career in the Ministry of Finance. Became Minister of War, July to October 1910, and Minister of Interior July to November 1911, and again in December 1911. Minister of Finance July to August 1914, and Minister of Interior November 1917 to January 1918. Appointed Governor-General of Khurasan April 1918 and remained there for three years, during which he administered the province with uniform success during troublous times. Became Prime Minister and Minister of Interior June 1921 to January 1922, and again Prime Minister and Minister for Foreign Affairs from June 1922 to February 1923. Banished to Europe in October 1923, being accused of having plotted against the life of Riza Khan (Riza Shah). Was allowed to return to Tehran at the end of 1928 and arrived in March 1929, when he went to reside quietly on his property at Lahijan near Resht.

Came back to live in Tehran after the fall of Riza Shah. Prime Minister August 1942, after the fall of Suhaili. Worked hard, but gradually surrounded himself with his own relations and friends. Tried hard to gain control of the Ministry of War, but failed to counteract the young Shah's enthusiasm for the control of the army. The Shah's opposition to him was shown in the disturbances of the 8th December, 1942, in which Qavam did extremely well and undoubtedly performed a great public service in re-establishing governmental authority. Thereafter, however, he became more and more involved in petty intrigues and favouritism, and had to resign in February 1943; since when he has been more or less openly accused of being the real instigator of the riots of December 1942.

Believed to have been in touch with the Japanese Legation early in 1942, and to have received, when Prime Minister in 1942, messages from persons whom he knew to be German agents, without informing us. This was brought to the notice of the Shah in January 1944.

Became Prime Minister in February 1946 with additional offices of Minister for Foreign Affairs and Minister of the Interior. His policy was to seek reconciliation with the Soviet Government. For this purpose he went to Moscow in February 1946.

Responsible for the arrest of Sayyid Zia and General Arfa in March 1946, probably at Russian insistence. In April 1946 concluded an agreement with the Russians granting them an oil concession

in the north, to be presented for approval to the 15th Majlis. Submitted to Russian pressure to settle the Azerbaijan problem by conciliatory methods in return for which the Red army was withdrawn early in May. During his first year of office he destroyed the autonomous régime of the Azerbaijan Democrats, broke up the Tudeh Party and their affiliated trade unions and established the Iran Democrat Party with which he won a big majority in the general election held in 1947. This majority gradually wasted away during the latter half of 1947—in December he was defeated in the Majlis and obliged to resign. In January 1948 he went to Europe for medical treatment. Returned to Tehran May 1948. Abstained from overt politics but after the attempt on the Shah's life a warrant for his arrest was issued; he immediately obtained an audience of the Shah and then left for Paris. He paid a short visit to Tehran November–December 1949, after which he returned to Europe. In March 1950 he addressed a strongly worded letter to the Shah, copies of which he sent to the press, criticising the proposed revision of Article 49 of the Supplementary Fundamental Laws. For this he was deprived of the title of "Highness" granted to him in 1947.

Intriguing, ambitious and fond of money but of great experience and competence.

Returned to Tehran, October 1950, but was not invited to the Shah's wedding. He was freely mentioned as a possible Prime Minister after the assassination of Razmara. The Shah's opposition to him was, however, still too strong and he left for Switzerland again in May 1951. Returned to Tehran July 1951.

Engaged in opposition to Musaddiq until end of December 1951 when he retired to Europe for further treatment. Returned to Tehran April 1952.

On Musaddiq's resignation on 17th July, Qavam gained vote of inclination from Majlis and became Prime Minister. Resigned on 19th July when Shah refused to allow him to dissolve Majlis, opposition members of which were inciting the mob and the army to violence and disobedience, which took the form of riots and demonstrations in favour of Musaddiq and against himself and the Shah.

In view of his great age and now complete loss of prestige his career as a politician can be regarded as finished.

158. Qavam, Ibrahim (Qavam-ul-Mulk)

Born 1888. The son of Mirza Habibullah Khan Qavam-ul-Mulk, who was killed accidentally in May 1916. During the war of 1914–18 was very friendly to us, and carried on his father's traditional policy of opposition to the powerful Qashqa'i group of tribes headed by the late Isma'il Khan Saulat-ud-Dauleh. Having inherited vast properties in Fars from his father, as well as the titular headship of the "Arab" tribes of that province, he wielded immense authority in the south of Persia at the time of the *coup d'Etat* of 1921. Riza Khan (late Riza Shah) when Minister for War met the Qavam at Isfahan in August 1923 and expressed a wish that he should reside at Tehran; he therefore became elected to the Majlis as member for the Khamseh (Arab) tribes and thereafter resided a good deal in Tehran. In 1929 as a result of various questions of validity of title to property Qavam was given crown lands in Nishapur, in the neighbourhood of Tehran and elsewhere in the centre of Persia, in exchange for his Fars properties. It is believed that he did well out of these transactions, and that he is one of the wealthiest landowners of Persia at present.

In the 9th Majlis of 1933 he was a Deputy for Baluchistan. He had also accompanied Riza Shah on several of his journeys, and was generally supposed to enjoy His Majesty's full confidence. In November 1933, however, on the arrest of the

Minister of War, Sardar As'ad, while in attendance on the Shah at the Turcoman races, the Qavam seems to have become the object of suspicion, and he was placed under arrest with As'ad.

Played his part in the "events of 1941"; he and his family at one time "took bast" in the British Legation at Gulhek; and when Riza Shah abdicated and went to Isfahan it was Qavam who was sent by the Government to obtain Riza's signature to documents handing over his properties and private fortune to the State and to his son respectively.

Visited India 1941–42 and bought a house at Bangalore.

Sent back to Shiraz to help Marshal Shahbakhti with his attack on the Qashqa'is in June 1943.

Appointed Governor-General of Fars September 1943, but could not agree with any of the military chiefs about tribal policy, and returned to Tehran November 1943. Deputy for Shiraz in the Constituent Assembly April 1949. Elected Senator from Fars April 1949.

Qavam's name in the Fars of to-day is still important, although the Khamseh tribes no longer look to him as their feudal chief. The general tendency among his own family, whose obedience but not conscience he commands, is to regard him with the utmost respect as the survivor of a day that has gone. He himself does not seem to be conscious of, or will not admit, this passage of time. He returned to Fars in April 1952, where he is trying to re-establish his influence.

His son, Ali Muhammad, married Princess Ashraf Pahlavi in March 1937 but the marriage was dissolved. He subsequently married a girl of the Shaibani family, daughter of Muhasib-ul-Mamalik. He had previously been an undergraduate at Bristol where he did badly. At the end of 1941 he went to Washington as Assistant Military Attaché. The other son, Riza, married a daughter of General Muqaddam and is at present employed in the Ministry of Labour. One daughter is married to Asadullah Alam, son of the late Shaukat-ul-Mulk, and the other to Dr. Abul Qasim Nafisi.

159. Qizilbash, Aziz

Born about 1900. A Kurd by birth, from Kermanshah. His father and mother were killed during the constitution riots (1905–10). He himself joined in the rioting at the age of 6 or 7. Spent six or seven years in India working on the railway and then lived in Ahwaz, where he was friendly with Mr. Soane, His Majesty's Consul at Khurramshahr (later in Kurdistan and Iraq). Acted as interpreter for the consul with the tribes and with him was under fire on several occasions. After Mr. Soane had returned to England and died it was found that he had left a legacy to Qizilbash, which was paid to him by His Majesty's Consul, Ahwaz. For approximately twenty years Qizilbash has worked on the Iranian State Railway and is now in the Inspection Department. Anti-Communist, he joined the Democrat Party and the I.S.K.I. trade union immediately on their inauguration in December 1946. Became second secretary of the trade union and attended the I.L.O. Conference, Geneva, in 1947 as a workers' representative. Led I.S.K.I.'s more militant anti-Communist activities, touring the railway system, identifying Tudeh members and insisting upon their removal from employment with the State Railway. In winter 1948, owing to personal differences with Khusrau Hidayat (the first secretary of I.S.K.I.), Qizilbash was dismissed from the I.S.K.I. union. Since then he has operated independently, using his personal influence among railway workers and in the bazaars to draw support away from I.S.K.I. to his own newly formed "Central Council of the Federation of Workers, Peasants and Tradesmen of Iran." In May 1950 claimed to have eighteen small unions in Tehran and the provinces under his control with

a total nucleus membership of about 3,000. Eventually agreed to the setting up of a joint committee under the auspices of the Ministry of Labour to co-ordinate trade union activities of I.S.K.I., I.M.K.A. and his own Central Council. In February 1951 was elected to the General Council of the newly-formed Trade Union Congress. Speaks Turki and Urdu.

160. Qubadian, Abbas (Amir Makhsus)

Born about 1900, son of Da'ud Khan, first paramount chief of the Kalhurs. Suspected of being pro-German in 1917-18 when Turks and Germans occupied Western Persia. Seized power in the tribe after the murder of Sulaiman Amir A'zam by Pasha Khan, Qubadian's brother, in 1922. He led a revolt against him, was captured and imprisoned. Vain and obstinate, he is at loggerheads the whole time with most of his own family. Deputy for Kermanshah in the 14th Majlis. In early 1946 succeeded in forming a union of the western tribes to combat the Tudeh and the Democrats in Kurdistan. Re-elected to the 15th Majlis for Kermanshah, which he also represented in the Constituent Assembly April 1949. Deputy for Kermanshah in 16th Majlis.

161. Quds (Nakha'i), Husain

Born about 1892. Graduate of the Tehran School of Political Science. Has held various posts under the Ministry for Foreign Affairs and was secretary in London for five years. Edited, for a short time, a small literary review. Private secretary to the Minister for Foreign Affairs 1934. Secretary and, for a time, *Chargé d'Affaires* at Washington 1935, until relations were broken off. Accused of having abused customs franchise while in charge at Washington. Secretary in London March 1937. Consul, Izmir, 1939. Counsellor in London early 1943. Returned to Persia in 1947. Appointed head of Third Political Department, Ministry for Foreign Affairs, April 1948. Director-general (Personnel) later 1948. Under-Secretary, September 1950. Ambassador in Bagdad April 1951.

Speaks English and French. A quiet and level-headed official.

162. Radmanish, Dr. Riza

Born about 1900. In 1938 he was arrested by Riza Shah for making Communist propaganda. Elected Deputy for Lahijan in the 14th Majlis. Has been a prominent member of the Tudeh Party and the Tudeh Majlis group since its foundation and was a dominating member of the Tudeh Party General Party Conference in 1944. Edits Left-wing paper *Mardum*. One of six editors invited by the Ministry of Information to visit the United Kingdom in the autumn of 1945, but did not accept. A genuine Communist who is not best pleased with the complete subservience of the Tudeh Party to the Russians but unable to help himself. Rather naïve.

Believed to have taken refuge in Soviet Embassy after attempted assassination of Shah 4th February, 1949. Sentenced to death *in absentia* May 1949 for activities against the constitutional monarchy.

163. Rahnama, Zain-ul-Abidin

Born about 1888, one of the sons of the late Shaikh-ul-Iraqain, a Persian subject and small mujtahid of Kerbelah.

Rahnama was educated in Iraq and came to Persia about 1910. He was a member of the Democratic Party and edited first the newspaper *Rahnama* and subsequently the semi-official paper *Iran*. He was elected a Deputy to the 5th and 6th terms of the Majlis. Was sent to Europe in 1923 on a mission to publicise Persia, and stayed most of the time in Paris. Was appointed Under-Secretary to the Ministry of Public Works at the end of 1926 and Under-Secretary to the Minister of the Interior in

April 1927. In June 1927 he fell from favour and confined himself to journalism, and accompanied the Shah on his journey to Khuzistan in October 1928 as press representative.

Rahnama is an ambitious man, with plenty of "push." His great ambition has always been to obtain a Government post, which he hoped would culminate in a ministerial appointment. With that object in view, he discarded his turban and gave up his title of "shaikh." This brought him three different under-secretaryships in succession. He is intelligent and clever in a certain sense.

Went to Europe in 1933 to purchase printing machinery. In the summer of 1935 was exiled to Iraq and took up his residence in Beirut; the Shah was said to have suspected him of plotting against the régime.

Returned to Persia after the fall of Reza Shah in 1941, and resumed his editorship of the newspaper *Iran*. On a mission to the ulama of Iraq in 1942, and brought back certain messages addressed to the young Shah. Plunged into political intrigue in 1942 and after being disappointed at not being accepted by the Iraq Government as Minister, became a sort of secretary and spy in Suhaili's Administration in 1943, but soon resigned. Minister in Paris 1944. Appointed minister in Beirut February 1947. First Minister to Amman July 1949. Returned to Tehran on conclusion of duty October 1949.

Speaks French and English.

164. Ra'is, Muhsin

Born in Tehran about 1895. Educated in Persia and France. The eldest son of the late Zahir-ul-Mulk. Entered the service of the Ministry for Foreign Affairs in 1919. Sent to Switzerland as secretary of the Persian Delegation to the League of Nations. Returned to Persia in 1924, and served in the Ministry till he was sent to Paris as counsellor in 1930. Head of the Treaty Section of the Ministry in 1933. Minister at Berlin and The Hague 1935. Political Director-General in the Ministry for Foreign Affairs September 1937. Minister at Bucharest for Roumania, Greece, Bulgaria and Yugoslavia December 1938.

Transferred to Vichy in 1941, and returned in July 1942 to Tehran. Minister in Bagdad July 1943. Ambassador to London June 1947. Returned to Tehran to become Minister for Foreign Affairs under Razmara, August 1950. Held post until assassination of Razmara, March 1951.

A very agreeable man, but with little force of character. Speaks good French. Married one of the many daughters of Farman Farma in 1935.

165. Ram, Mustafa Quli

To a considerable extent responsible for the rigging of the Tehran elections to the 17th Majlis. Rewarded with the post of Governor-General of Khurasan and later with that of Minister of the Interior.

166. Rusta, Riza

Born about 1900. Imprisoned by Riza Shah for espionage—map stealing from the military office at Kerman. In 1944 was in close touch with the Soviet Trade Delegation and was the channel through which Soviet help, in the form of cash, paper or transport facilities, reached the Tudeh Party. In the same year became a member of the Tudeh Inspection Committee and was strongly opposed to the moderate policy then pursued by the Tudeh Central Committee. Appointed secretary of the Central United Council of the Persian Federation of Trade Unions (Tudeh) and, following Louis Saillant's visit to Persia in 1946, was officially recognised by the World Federation of Trade Unions as representative of Persian workers.

In December 1946 complained to W.F.T.U. and British Trades Union Congress of oppression of Persian workers, arrests and victimisation. He appealed for a W.F.T.U. delegation to visit the country to

investigate. On arrival of this delegation in February 1947 Rusta was closely associated with the President, El Aris, and the Russian member, Borisov. His reputation with the Persian workers was strengthened by this delegation. Arrested April 1947 on charges of high treason in connexion with the Azerbaijan secessionist movement. Released on bail of 1 million rials in November 1947, allegedly through intervention of the then Prime Minister Qavam. After his release from prison he avoided the public eye, but worked energetically and quietly consolidating the Tudeh trade union movement and organising a purge of waverers. Is believed to have left for Moscow shortly before the attempted assassination of the Shah and was sentenced to death in the subsequent trial, *in absentia*, of Tudeh leaders.

167. Sadiq, Dr. Isa (Sadiq-i-A'lam)

Born about 1892. Educated partly in England (here he was for a time munshi to Professor Browne) and partly in America, where he took a doctor's degree. Began his career in a very lowly station in the Ministry of Education. Rose to be Director of Education in Gilan. Attended an international congress on education in England about 1929, where he lectured on modern educational methods in Persia. Principal of the Teachers' College (*École normale*) 1932.

Minister of Public Instruction in Furughi's Cabinet September 1941. On the resignation of that Cabinet in 1942 became dean of the University of Tehran. Again Minister of Education in Suhaili's reshuffled Cabinet of December 1943. Minister of Education in Bayat's Government of November 1944. As chairman of Tehran Telephone Company went to the United Kingdom to buy equipment for the Company in 1947. Minister of Education under Qavam-us-Saltaneh June-December 1947. Deputy for Tehran in the Constituent Assembly April 1949. Represented Persia at the "Peace through Education" conference at Calcutta September 1949. Elected Senator from Tehran October 1949.

An intelligent and go-ahead man speaking English and French. Well disposed towards Anglo-Saxon methods of education. The author of several works on education.

168. Sadiq, Sadiq (Mustashar-ud-Dauleh)

Born about 1865. Educated at Constantinople. Was a secretary at the Persian Embassy in Turkey for many years. Elected a Deputy for Tabriz, his native town, to the 1st Majlis in 1906. Elected President of the 2nd Majlis in 1909. An ardent Constitutionalists he was arrested by Muhammad Ali Shah in 1908 and imprisoned until January 1909. Elected a member of the committee which was convened to draw up the Electoral Law. Appointed Minister of Interior in 1911, Minister of Posts in 1914 and 1915, and again Minister of Interior in 1915 and in June 1917. In the following Cabinet he was a Minister without Portfolio.

Before the war of 1914-18 he was pro-Russian, but when war broke out he espoused the cause of Germany and Turkey, and was one of the most extreme of "enemy partisans." After the war His Majesty's Legation demanded that he be exiled to some outlying province of Persia. From that time, with the exception of a short period in 1921 when he was a Cabinet Minister without Portfolio, he lived a retired life and had little or no influence.

Appointed Persian Ambassador to Turkey in January 1931. Returned to Tehran on retirement at the end of 1935.

Minister without Portfolio in Qavam-us-Saltaneh's Cabinet of August 1942, and continued in that capacity, with vague duties, in Suhaili's Cabinet of February 1943. Highly respected and considered a wit, but almost useless and senile. Dropped from Cabinet December 1943.

Proposed Governor-General of Eastern and Western Azerbaijan, should agreement be reached between autonomous Azerbaijan "Government" and Central Government. Took part in discussions with mission from Azerbaijan which came to Tehran April 1946 but with no official status.

Speaks French and Turkish.

One of the "fathers of the Constitution" consulted by the Shah before summoning the Constituent Assembly in March 1949, but although he stood for election from Tehran he was not elected. Nominated Senator for Tehran February 1950 and is the "doyen d'âge" of that House.

169. Sadr, Sayyid Muhsin (Sadr-ul-Ashraf)

Born about 1873. An almost unknown person in Tehran politics until appointed Minister of Justice in Furughi's Cabinet of 7th September, 1933. Spent the whole of his previous service in various judicial posts under the Ministry of Justice. Has been president of the Court of Cassation. One of the old school, who looks much better in the turban than in a hat. Was responsible for some of the new sections of the Civil Code. Resigned September 1936.

Minister of Justice in Suhaili's Cabinet of 1943. Said to have been one of the pro-German "Kabud" Party in 1942.

Became Prime Minister on 6th June, 1945. Resigned October 1945. During his period of office he was bitterly attacked by all Left-wing elements and accused of being a reactionary. Did his best to resist Soviet encroachment on Northern Persia, but the pressure was too strong and he was replaced by Hakim who was less unpopular with the Russians.

In charge of pilgrim train to Mecca on resumption of pilgrimage in autumn 1948. Governor-General, Khurasan, 1949-51.

170. Sa'id (Maragheh), Muhammad (Sa'id-ul-Vizareh)

Born about 1885. Educated in the Caucasus. Served in various capacities in the Persian consular posts in the Caucasus; viz., at Baku, Tiflis and Batum. Acting consul-general at Baku in 1927. Head of the Russian Department of the Ministry for Foreign Affairs in 1933. Appointed *Chargé d'Affaires* at Moscow in February 1934. Minister at Rome June 1936. Accredited also to Hungary 1938. Ambassador at Moscow April 1938.

Recalled from Moscow to be Minister for Foreign Affairs in Qavam-us-Saltaneh's Cabinet August 1942. Held the post in Cabinet of Suhaili February 1943. In the running for Prime Minister, being favoured for that post by the Shah 1943, but the Majlis would not agree.

Appointed Prime Minister in March 1944. Resigned on 10th November, 1944. After Kavtaradze's arrival he was persistently opposed by the Tudeh and the Russians and was thus able to do little during his tenure of office. His Government's rejection in October 1944 of the Russian demand for an oil concession brought about a crisis which resulted in Sa'id's resignation.

Elected to 15th Majlis for Riza'iyeh.

Member of Regency Council during Shah's visit to the United Kingdom July 1948 and again during his visit to the United States November-December 1949.

Became Prime Minister again November 1948. Resigned March 1950. Nominated Senator for Riza'iyeh April 1950. Ambassador to Turkey, June 1950-51.

A very agreeable official, whose Russian is better than his Persian. He has a handsome Latvian wife. Always willing to help. Appears to have no delusions about Russia. As Prime Minister from November 1948-March 1950 he showed himself as well-intentioned rather than effective.

171. Sa'idi, Muhammad

Appointed Under-Secretary in the Ministry of Communications April 1944. He was helpful in the prolonged negotiations about payment for the use of the Persian railways during the war and since a settlement was reached has remained consistently helpful. He speaks English well. His wife edited a women's newspaper, *Banu*.

At present in England in connexion with the Vulcan locomotive contract.

172. Sajjadi, Dr. Muhammad

Born in 1899 in Tehran. Son of a Tehran Mulla, Haji Aqa Yahya. Employed in the Ministry of Justice by the late Davar and later transferred to the Customs as Acting Director-General 1934. Then employed in the Tobacco Monopoly until 1937, when he became Under-Secretary in the Ministry of Communications. Acting Minister of Communications on Ahi's dismissal in November 1938.

Minister of Roads in Furughi's Cabinet of September 1941 and then head of the Tehran Municipality in 1942. Arrested and sent to Sultanabad by the Allied security authorities September 1943. Released at end of war 1939-45.

Director of the Exchange Control Department in the Ministry of Finance in Hakimi's Government of November 1945. Resigned November 1945.

Minister of National Economy under Qavam-us-Saltaneh September-December 1947. Again under Hakimi December 1947-June 1948. Minister of Roads under Sa'id November 1948 but changed to Justice March 1949. Lost office with Sa'id March 1950.

Spent several years in France and speaks French. A talkative and clever man. Married his brother's wife.

Managing-director of Seven-Year Plan, July-August 1950. Governor-General, Isfahan, April-June 1951. Governor-General of Azarbaijan October 1951.

173. Salih, Allahyar

Graduate of the American College at Tehran. Born about 1900. For some years employed as a secretary in the American Legation at Tehran. He then entered the Ministry of Justice, where he held various appointments as judge, public prosecutor, &c. Was transferred to the Ministry of Finance through the influence of Davar, and appointed director of the opium monopoly, and afterwards director of the tobacco monopoly.

Head of the customs for a short time. Then accountant-general.

Sent to Washington on an economic mission 1941. Returned in the autumn of 1942 to be Minister of Finance in the hope that he would work well with Dr. Millspaugh, but he proved a disappointment, quarrelled with Dr. Millspaugh, and was allowed to resign by Suhaili in March 1943.

Sent on a Commercial Mission to India September 1943. Member of the Persian Delegation to San Francisco and spent some time in London on his way back to Persia. Minister of the Interior in Hakimi's Cabinet November 1945 to January 1946 when he dismissed Ghulam Husain Ibtihaj, the pro-Sayyid Zia Mayor of Tehran and replaced him by Nariman, as being more acceptable to the Russians.

In Hakimi's Cabinet he was regarded as the leader of the appeasement group. Minister of Justice August 1946: resigned October 1946. Successful in first stage Senate elections in Tehran October 1949. Unsuccessful in 16th Majlis elections in Tehran but elected from Kashan April 1950. Member of the Majlis Oil Commission June 1950 and chairman of the Mixed Oil Commission May 1951. A member of the National Front. Minister of Interior February 1952.

Resigned from Ministry of the Interior March 1951 because he would not carry out certain acts of interference in the elections called for by other members of the Government. He thus confirmed the impression that, although often wrong-headed, he is a man of some integrity.

Candidate for premiership in June 1952.

An intelligent and able but embittered man. Speaks French and English.

174. Salih, Dr. Jahanshah

Born 1904, brother of Allahyar Salih. Educated at the American College, Tehran, and in America where he qualified as a doctor in 1933. After post-graduate work in America he returned to Persia where he now holds the headship of various hospitals. He is Dean of the Faculty of Medicine at Tehran University where he holds the professorship of anatomy and gynecology. Served in the Finance Department before taking up medicine. Minister of Health under Razmara, June 1950-March 1951.

Married to an American. Speaks English and French.

175. Sami'i, Husain (Adib-us-Saltaneh)

Born about 1878, a native of Resht. Spent his early career in the Ministry of Interior and was once Governor of Resht. Appointed Minister of Public Works 1921 to June 1922. In March 1923 he became Minister of Interior for three months. When the late Shah became Prime Minister in October 1923, Sami'i was chosen as his assistant, until, in August 1924, he was appointed Minister of Justice. Early in 1926 he was appointed Governor of Tehran and held that post until he was appointed Minister of Interior in June 1927. Appointed Governor-General of Azerbaijan in May 1931. Grand Master of Ceremonies (Internal) 1938. Dismissed during the Crown Prince's wedding celebrations April 1939. Ustandar (Governor-General) of the IVth Ustan (Western Azerbaijan) July 1939.

Ambassador to Kabul 1939. Returned to Tehran July 1942 and became Minister of State, without portfolio, in Qavam-us-Saltaneh's Cabinet of August 1942. Appointed Minister of the Interior by Suhaili in July 1943, ostensibly in order to supervise the elections to the 14th Majlis, but he soon resigned. President of the Farhangistan (Academy) at Tehran 1943. Grand Master of Ceremonies 1943-1949.

Went to Russia at invitation of Soviet Government for anniversary of Science Academy in Tashkend 1945.

Member of Regency Council during Shah's visit to the United Kingdom July 1948, and at the same time Acting Minister of Court. Deputy for Resht to Constituent Assembly April 1949. Elected Senator for Resht September 1949. Also successful in first stage of Senate elections in Tehran October 1949.

Sami'i is a pleasant man, but of little influence. He is not very energetic nor highly intelligent. He speaks a little French.

176. Sayyah, Hamid

Born in Isfahan 1886. Brother of Humayun Sayyah. Educated at Moscow. Entered the service of the Ministry for Foreign Affairs in 1916. For some time a judge in the Tribunal of the Ministry. Commercial secretary at Moscow 1922-26. A director of the Caspian Fisheries Joint Board 1927-31. Chief of the Russian section at the Ministry in 1932. In charge of the Eastern Department 1933. Consul-general at Beirut March 1934. Minister at Warsaw June 1936.

Minister of Posts and Telegraphs in Furughi's Cabinet of September 1941, and was most helpful to us. Again Minister of Posts and Telegraphs in Qavam-us-Saltaneh's Cabinet of August 1942 until January 1943. Minister of Posts and Telegraphs

again December 1943. Minister of Communications in Sa'id's Cabinet March-August 1944. Accompanied Qavam to Moscow in February 1946. Appointed minister to Moscow March 1946. Returned October 1946 and became Minister of Commerce and Industry until June 1947. Re-appointed Ambassador at Moscow November 1947. Recalled April 1949 and appointed Minister of Roads (Sa'id) May 1949. Transferred Ministry of Roads September 1949. Dropped January 1950.

Speaks French and Russian. Married his cousin, Fatimeh Khanum Sayyah, but afterwards divorced her. An agreeable but not a brilliant personality. He knows too much about Russian methods ever to incline towards bolshevism, but maintains contact with the Soviet Ambassador. A good bridge player.

177. Sayyah, Kazim

Born about 1892. A family of Turkish descent, sometimes calling themselves Sayyah-Sipanlu, and not related to Hamid Sayyah. Served in the Turkish army in the 1914-18 war, and taken prisoner by the British troops 1917. Then employed in the Caucasus where he had various adventures in 1920 and 1921. A strong supporter of Sayyid Zia in the latter's *coup d'Etat* of 1921, and when the Sayyid fell he fled with him to Switzerland. Returned to Persia about 1923 and was imprisoned by Riza Shah for some time. Then employed under the Ministry of Industry in supervising the factories at Isfahan. Was also in charge of the Fine Arts Department at that place 1940 to 1942. Fell under suspicion as pro-German owing to his relations with the factory engineers, most of whom were Germans. Transferred to Tehran 1942 and put in charge of the glycerine factory. In 1943 employed by the Americans in the price stabilisation section of the Ministry of Finance. Appointed "Rais-i-Intizam" or head of the organisation section of the Ministry of Interior 1944. Kazim Sayyah is well known as a strong supporter of Sayyid Zia. His appointment as "Rais-i-Intizam," therefore, raised an outcry by all Left-wing elements and by those who favoured a policy of appeasement towards the Russians. Appointed one of the directors of the Tehran Electricity Company 1945. Director-General in Ministry of Labour and Propaganda April 1947. 1949 employed in the Factories and Industries Department of the Seven-Year Plan. Head of the Cotton Company of the Seven-Year Plan, February 1951.

Governor-General of Mazandaran April 1951. Dismissed by Musaddiq in August 1951.

A man of the world, capable of good work, and claims to be well-disposed towards us. Married to a Greek.

178. Shahbakhti, Muhammad, General (Sipahbud)

Born about 1882, the son of a peasant inhabiting the village of Ishtihar, near Tehran, but has now been heard to describe himself as a native of Azerbaijan, possibly to cover up his humble origin.

He enlisted in the Cossack Brigade about 1901, distinguished himself by bravery in the field, and received a commission. In 1914 he was a captain. He attached himself to Riza Khan, whose influence with General Starosselsky secured him promotion to the rank of colonel in 1919. After the *coup d'Etat* of 1921 he was appointed to command the Ahan regiment of infantry. In 1925 he was promoted brigadier and given command of an infantry brigade in Tehran. In 1926 he was sent to command the western division, but was recalled in the spring of 1928 for corruption; he was appointed shortly afterwards to command the Persian troops in Kurdistan. In December 1928 he was sent to command the troops in Fars, but was superseded by General Shaibani.

Appointed to command the troops in Azerbaijan in 1932. Promoted to the rank of Amir Lashgar

(major-general) in March of that year. Transferred to Ahwaz as general officer commanding January 1939.

Appointed commander of the western forces October 1941, with the rank of general (sipahbud). Controlled the Kermanshah area pretty thoroughly, ignoring completely the civil governor, till he was transferred to Fars to quell the Qashqa'is under Nasir Qashqa'i in February 1943. He was not very successful in that campaign and after the defeat of the garrison at Simirum in July 1943 came to Tehran to report. Suspected of taking large bribes when at Kermanshah and again from the Qashqa'is.

Placed on the retired list October 1943. Recalled to active list 1947. Appointed Inspector of Troops in Azerbaijan, which appointment was changed to Commander-in-chief of Forces in Azerbaijan early in 1949. Though somewhat arrogant, he is a very charming old man and has a great reputation in Azerbaijan where his activities and strength of character made it impossible for any strong governor-general to co-exist with him.

An almost entirely uneducated survival from the Cossack Brigade, resembling in appearance the more famous product of that corps, Riza Shah.

In the early hours of 13th April, 1950, was sent to Ahwaz as Governor-General of Khuzistan and Commander of the Forces of the South in order to restore order after the riots in Abadan. He did not, however, go to Abadan until 26th April. Recalled end May 1951.

179. Shahrugh, Bahram

One of the six sons of Arbab Jamshid Shahrugh, formerly Zoroastrian Deputy in the Majlis and murdered by order of Riza Shah during the last war. He has studied in Germany and has visited England several times.

Married to a German, by whom he has three children. During the war he was in Berlin and constituted himself leader of the Persian colony there, displaying strong pro-German sympathies. For a considerable time he broadcast in Persian from Berlin on account of their eloquence and vitriolic invective against the British. In the latter days of the war he saw which way the wind was blowing, left Germany for Turkey and completely abandoned his German friends. After returning to Germany for several months he decided to settle in Persia. He is agent for Gestetners and is trying to obtain agencies for German firms.

In addition to his commercial activities Shahrugh takes a keen interest in politics having managed to gain the confidence of many prominent politicians. Appointed Director-General of Press and Propaganda by Sa'id September 1949 and despite much opposition from the press and other circles held on to the post, in which he showed commendable energy and zeal until June 1950 when he was appointed a Director of the Irrigation Board. Again Director-General of Press and Propaganda November 1950-January 1951. Shortly after Musaddiq came into power he was obliged to leave the country as a warrant was out for his arrest. He went to Germany whence he imprudently returned later in the year, being arrested on a charge of malversation of official funds.

He is clever, confident and his chequered career shows him to possess considerable courage and an unlimited capacity for intrigue. In spite of his European upbringing he is a genuine Persian at heart, combining considerable patriotism with unlimited vanity. His political ambitions are much hampered by his being a Zoroastrian. He still hankers after national socialism which he thinks may have a future in Persia. Now claims to be strongly pro-British and pro-American.

Speaks excellent German, English and French.

180. Shams-ul-Mulk Ara'i, Asadullah (Shahab-ud-Dauleh), K.C.V.O.

A Qajar prince. Born about 1880. Educated in Persia. For many years employed in the Telegraph Department. Governor of Yezd in 1911. Minister of Posts and Telegraphs 1914-15. Minister of Public Works 1915. Master of Ceremonies at the Court 1922-25. Governor of Kermanshah 1929. Recalled 1933, and appointed Governor of Kurdistan in October 1934. Recalled April 1936, owing, it is said, to having incurred the displeasure of the Shah through not accelerating reforms in his province.

Holds the dignity of K.C.V.O., received when in attendance on Ahmad Shah during his visit to London in 1919.

Governor-General of Fars early 1942, but was superseded in the following summer, without having accomplished much. Governor-General of Kermanshah October 1946.

A rather pompous man, said to be a great intriguer; but he is not averse to the society of foreigners, and probably regrets the good old days. Member of the Advisory Council of the Anglo-Persian Institute.

Speaks English and French fluently.

181. Shaygan, Dr. Sayyid Ali

Born in Shiraz in 1904, son of Haji Sayyid Hashim. Doctor of Law. Educated in Tehran and Paris. In 1940 appointed Professor of Civil Law, Judicial Counsellor and Barrister. Dean of the Faculty of Law, Tehran University. In May 1946 appointed Under-Secretary at the Ministry of Education. In October 1946, Minister of Education under Qavam-us-Saltaneh. June 1947 successful in first-stage Senate elections, Tehran. Deputy for Tehran in the 16th and 17th Majlises. Member of the Mixed Oil Commission. Member of delegation formed to negotiate with the A.I.O.C., June 1951. Member of Delegation to The Hague, June 1951; accompanied Dr. Musaddiq to the United States in October 1951 when he went to New York to lay Persia's case before the Security Council; was again a member of the delegation to The Hague in June 1952.

One of the most fervent supporters of the National Front, he is said to suffer from bad nerves; his unbalanced fanaticism is to some extent due to his state of health. He has views tending to the extreme Left and was actually appointed Persian representative at the 1950 Sheffield Conference of the Partisans of Peace, which did not take place.

182. Siasi, Dr. Ali Akbar

Born 1893. Educated in France 1911 and stayed in France till the outbreak of the 1914 war. Took a course in pedagogy. Employed as dragoman and Persian secretary at the French Legation from about 1917 to April 1941. At the same time he was instructor in psychology and law at the University of Tehran; later professor. Went to Europe 1927 and took a further course in France, obtaining a doctorate in philosophy. Married the daughter of the late Bayat, and so acquired wealth. One of the founders of the French-sponsored "Young Persian Club" in 1921.

Minister of Education August 1942. Resigned from Suhaili's Cabinet in August 1943. Dean of the University of Tehran. Minister without Portfolio in Bayat's Government 1944.

Member of Persian delegation to San Francisco Conference March 1945. Visited United Kingdom after the conference.

Invited by Soviet Government to visit Tashkent for the twentieth anniversary of the Science Academy there December 1945.

Minister of Education in Hakimi's Cabinet December 1947. Resigned April 1948 after being attacked in the Majlis for saying that the university should be free not only from political but also from religious control. Arrested after the attempted assassination

of the Shah at the university 4th February, 1949, but immediately released. Successful in first stage of Senate elections in Tehran October 1949. Minister for Foreign Affairs (Sa'id) January-February 1950. Leader of Persian delegations to various cultural conferences including U.N.E.S.C.O. June 1951.

An intelligent man with a perfect command of French. Always polite and agreeable to talk to, but during recent difficult times has shown more prudence than courage and has tended to run away from the British Council.

183. Sipahbudi, Anushirvan

Born in Tehran about 1890. Educated in Tehran. Entered the service of the Ministry for Foreign Affairs in 1907 and worked there till 1910. Vice-consul at Vladikavkaz in 1910, and thereafter served at different posts in the Caucasus till 1918. Then chief of a section at the Ministry; in charge of the Protocol Department in 1926. Minister in Switzerland 1929-33. Under-Secretary at the Ministry for Foreign Affairs July 1933. At the beginning of 1934 made minister at Rome, being accredited also to Vienna, Prague and Budapest. Ambassador at Moscow June 1936 until April 1938. Minister, Paris, July 1938 and also accredited to Spain in June 1939.

Ambassador to Turkey 1940. Minister for Foreign Affairs June-October 1945. Minister for Justice in Qavam's Cabinet February 1946. Ambassador in Paris August 1946. Appointed Minister for Foreign Affairs by Qavam in June 1947, but did not take up his post. Recalled to Persia February 1948. Nominated Senator for Tehran and also appointed Master of Ceremonies at the Court February 1950. Accompanied the Shah to Pakistan March 1950. Resigned his post as Master of Ceremonies after the marriage of the Shah, February 1951. Nominated a Senator in February 1950.

A man of no particular family, he made his way to the top while still young. Speaks French and Russian. Is quite well supplied with brains, but is often too lazy to use them. On friendly terms with Shah. Hates Russians.

184. Sipahr, Ahmad Ali (Muyarrikh-ud-Dauleh)

In June 1942 he was mixed up in a German plot involving Qavam-us-Saltaneh and Husain Ali Qaraguzlu (not the same man as No. 139). Was Under-Secretary to the Ministry of Commerce and Industry at the beginning of 1944. In February 1944 became Acting Minister of Commerce and Industry. He was removed from the Ministry of Commerce and Industry in the summer of 1944 and remained without an appointment until August 1945 when he was appointed head of the Caspian Fisheries, a post which brought him into close touch with the Russians. Closely associated with Qavam-us-Saltaneh and joined the Cabinet as Minister for Commerce and Industry in 1946. Dismissed from Cabinet and banished to Kashan July 1946. Permitted to return to Tehran December 1946.

For a time remained in retreat but reappeared in social life after Qavam's fall in December 1947. In June 1948 tried to get himself put up as Prime Minister but only obtained the support of a few unimportant newspapers and was never considered a serious candidate. Successful in the first stage of the Senate elections in Tehran in October 1949. Chairman of the Board of the Caspian Fisheries late 1950.

Has a bad name for intrigue and lying.

185. Suhaili, Ali

Born about 1890. Educated partly in Russia and talks Russian well, also French and a little English. His career has been in various Government administrations. In January 1931 was appointed Under-Secretary at the Ministry of Roads and Communications under Kazimi. In September 1933 he was

transferred to the Ministry for Foreign Affairs as Under-Secretary, when Kazimi was appointed Minister. Suhaili had also served as chief Persian representative on the board of the Caspian Fisheries Directorate. Several times Acting Minister for Foreign Affairs in the absence of his chief. Minister in London March 1937. Minister for Foreign Affairs May 1938, but dismissed in July, owing to the late Shah's displeasure over a telegram concerning the Paris Exhibition. Ustandar (Governor-General) of the VIIIth Ustan (Kerman) February 1939. Ambassador, Kabul, October 1939.

Became Prime Minister, rather unexpectedly, in March 1942, after having been Minister for Foreign Affairs in Furughi's Cabinet from September 1941 (during which time he was the Persian signatory of the Tripartite Treaty of February 1942). His Cabinet fell in July 1942, partly owing to lack of support from the Court and the army. Again Prime Minister on the fall of Qavam-us-Saltaneh in February 1943, once more unexpectedly; this time it was largely because Mu'tamin-ul-Mulk could not stand and the Majlis did not want the Shah's candidate, Sa'id. Proved himself once more a hard worker, but carried little weight in the country and had to maintain himself by various "combinations" and political deals with Majlis Deputies.

During 1944-45 he was frequently a strong candidate for the Premiership but was suspected by many of being too well-disposed towards the Russians. Went to Egypt in the summer of 1945 and was made member of the Persian delegation to U.N.O. in January 1946.

Was tried in February 1948 for illegal interference in the elections for the 14th Majlis and on other political charges, but was acquitted. Minister without Portfolio in Hakimi's Cabinet March 1948. Appointed Ambassador to Paris June 1948. Also accredited as Minister at Lisbon January 1950. Transferred to London August 1950. Dismissed December 1951.

A very reasonable, matter-of-fact person, with a business-like manner. Hard working and approachable. In his contacts with His Majesty's Embassy he has always given the impression of his willingness to help and to arrive at a reasonable settlement. But in other respects he is a typical Tehran politician.

186. Sururi, Muhammad

Born about 1900. Served in various Government Departments, being one of the favoured young men selected by Davar, then Minister of Justice, when he revised the organisation of the Ministry in 1929. Has been judge in the Tehran courts, and Under-Secretary at the Ministry of Justice. Director of the Agricultural Bank 1942, but removed from that post June 1943. Posted to the Ministry of the Interior to look after it till Hahzir's return, January 1944. Minister of Interior in Sa'id's Cabinet of August 1944 and again in Bayat's Cabinet in November 1944-June 1945. He did well, but incurred the displeasure of the Tudeh party when he arrested the worst of the professional toughs of Tehran and imprisoned them in Bandar Abbas.

Minister of Justice under Hakimi December 1947-June 1948. Elected Senator from Tehran October 1949. Chairman of Administrative Purge Commission July 1949 but resigned on grounds of ill-health November 1949. Member of Mixed Oil Commission May 1951.

Businesslike and said to be honest. Lacking in real initiative, but carries out orders efficiently. Brother-in-law of the deputy Malik Madani.

187. Taba, Dr. Abdul Husain

Born in Tehran about 1911. Educated in medicine in England and qualified in medicine and surgery after eight years in Birmingham and at Guy's Hospital. Real name is Tabataba'i of the Yezdi

family of that name. Employed by the Anglo-Iranian Oil Company as a doctor 1940-42, and since practising in Tehran. Elected to the 15th Majlis for Na'in, which he also represented in the Constituent Assembly April 1949 and in the 16th Majlis.

A bright young man who seems keen on his profession but as a Deputy acquired a reputation for being highly irresponsible. Married the youngest daughter of Vusuq-ud-Dauleh. His sister was married to Salman Asadi but is now divorced.

188. Tabataba'i, Sayyid Muhammad Sadiq

Second son of the late Sayyid Muhammad Tabataba'i, who was a prominent figure in the Nationalist movement of 1906 to 1910. Born in Tehran about 1880. Elected to the 3rd and 4th Majlises. In close touch with pro-Germans during the war of 1914-18. Emigrated to Turkey in 1916. Returned in 1918 and co-operated with Sulaiman Mirza in forming the Socialist party. During this phase he was in close touch with the Soviet Embassy. Ambassador to Turkey 1924-27. Recalled in 1927 and offered a post as a judge in the High Court of Appeal, but did not accept it.

Was more or less under arrest for about ten years in Tehran until the fall of Riza Shah 1941. Gradually entered political life after that and initiated and fostered the "Millat" party ("The Nation").

Head of the Election Committee for Tehran 1943-44, and himself elected Deputy.

Elected President of the 14th Majlis. An opium addict for thirty years, he frequently found it difficult to keep awake when he was presiding over the Majlis.

Unsuccessful candidate for Tehran in elections for 15th Majlis, but elected from Tehran to the Constituent Assembly, of which he was elected President April 1949. Member of the Regency Council during Shah's journey to Europe July 1948 and again during the Shah's journey to the United States November 1949, but declined on grounds of illness. Chairman of the Electoral Supervising Committee for the first 16th Majlis elections in February 1949, which were cancelled. In new elections was himself elected.

An incorrigible intriguer he stands close to the Shah to whom he has always offered bad advice. His "liberal" ideas are not to be taken seriously. He and his friends pride themselves on their patriotism and the pursuit of the middle way between Britain and the U.S.S.R. For reasons unknown he is generally regarded as a "national" figure. Would like to be Prime Minister. In his dotage.

Speaks French.

189. Tabataba'i, Sayyid Zia-ud-Din

Born about 1893. Son of the late Sayyid Ali Yazdi Tabataba'i. Edited the newspaper *Rad* (*Thunder*) in Tehran in 1915-16. Played a considerable political rôle in 1917-18. Sent to Baku by Vusuq-ud-Dauleh in 1919 as Persian representative to Caucasian Azerbaijan. While in Baku he issued a long statement entitled "A new Epoch in the History of Persia." This statement was a spirited defence of the Anglo-Persian agreement of 1919 which, although it had not been ratified by the Majlis, he endeavoured to bring into force during his brief period of office as Prime Minister. Returned to Tehran in May 1920. Carried out *coup d'Etat* with the help of the Cossacks in February 1921, and seized the reins of office. Appointed Prime Minister with full powers by Ahmad Shah on 1st March, 1921, and effected numerous arrests. His reforms were too radical for the country and the time, and he fell from power in June, fleeing the country. He was in the tobacco business while exiled.

Took a prominent part in the Pan-Islamic Congress at Jerusalem in 1933.

Said to have assisted Kazimi in the negotiations with Iraq at Geneva during 1935.

In 1942, being by that time the owner of a very prosperous farm near Chazza in Palestine, which he had developed himself, he began to think of returning to his native country, and Muzaffar Firuz began with great energy and indiscretion to run a newspaper campaign in his favour in Tehran. He published a letter from the Sayyid in which the Russians were praised in fulsome language. His name came forward a good deal in the Tehran press during 1943, and quite a number of Deputies in the 13th Majlis seem to have favoured his return. The Russians and the Shah, however, were steadfastly opposed to his return, the former because they mistrusted Firuz's unfortunate letter, and the latter through fear that the Sayyid might become a dictator. However, he returned to Tehran in September 1943 and was elected to the 14th Majlis from Yazd, his native place. Caused annoyance by insisting on wearing a woollen hat of Caucasian style, and alienated some of his friends by an appearance of stubbornness and obstinacy.

Founded a political party which in the summer of 1945 was officially launched under the name of "Iradeh-i-Milli" or National Will. His followers claimed that the party numbered about 9,000 in Tehran, at the end of 1945. Was the particular bugbear of the Tudeh and the Russians, who never tired of vilifying him as the arch-enemy of his country and the principal tool in Persia of imperialists, reactionaries, &c. During the near-panic which prevailed in Tehran in November-December 1945 as a result of the approach of the Azerbaijan Democrats towards Qazvin many leading politicians and Deputies began seriously to consider that Sayyid Zia should be exiled from Persia as a sop to the Russians.

His continued opposition to Qavam-us-Saltaneh's pro-Soviet gambits in the beginning of 1946 resulted in his arrest and imprisonment but this was changed to house arrest a year later and shortly afterwards he was released. Early in 1948 the Shah tried without success to enlist his support for his project of constitutional reform. Thereafter Court and Government circles evinced great hostility towards him and he was widely accused of disloyalty and even of pro-Soviet sympathies. There was, however, no concrete evidence to support these charges. On the other hand, although he was mainly preoccupied with his experiments in agriculture, Sayyid Zia-ud-Din was known to have criticised the Shah's "unconstitutional" behaviour. But he remained rabidly opposed to communism and the Russians in general.

After the attempt on the Shah's life in February 1949 he made his peace with His Majesty and has remained on good terms with him since. As a result the number of his enemies has dwindled. Among those elected in the first stage of the Senate elections in Tehran October 1949 but resigned from the electoral college. Was considered an alternative choice to Razmara for the Premiership in June 1950. On the resignation of Ala, April 1951, the Shah agreed to his appointment but the Majlis unexpectedly gave a "vote of inclination" to Musaddiq. Was one of the first to take up opposition to Musaddiq in summer of 1951 and for a time seemed a likely successor to him. But, in view of the Shah's discouraging attitude Sayyid Zia felt obliged to withdraw into semi-retirement.

Scrupulously honest, religious, widely read and travelled, of active habits and practical outlook, Sayyid Zia-ud-Din is an unusual Persian. A genuine reformer. Originally a journalist by profession he has become a successful farmer. His main faults are obstinacy and impatience of criticism. He speaks English, French, Arabic and Turkish.

190. Tahiri, Dr. Hadi

Born at Yazd about 1888. Son of a mulla. Formerly a landowner and proprietor of various concerns at Yazd. A great rival of the Navvab family of Yazd. Elected to the Majlis on various occasions, and has served as president of the Financial Commission of the Majlis. In the 13th Majlis was one of the Vice-Presidents and was considered one of the leading members of the Majlis. Served on the Committee of the Anglo-Iranian Relief Fund, 1943, and was helpful in providing local knowledge. Was largely responsible for the success of Sayyid Zia-ud-Din in the Yazd elections of 1943, thereby incurring the dislike and distrust of the Shah. Very friendly to us. Accused of various speculations at Yazd, but nothing was proved.

In the 14th Majlis he was, with Sayyid Kazim Jalili Yazdi, the most influential Deputy. Bitterly anti-Soviet he worked hard to maintain the Majlis majority against Soviet pressure.

Arrested November 1946 for political activities against Qavam-us-Saltaneh. Released February 1947. Appointed Minister without Portfolio under Sa'id November 1948. Resigned September 1949 to stand for the 16th Majlis, to which he was elected from Yazd. Elected for 17th Majlis.

Though very slow in speech and manner he is extremely astute and has a profound knowledge of his Majlis colleagues and particularly of their weak points. Though patriotic he would not allow his patriotism to interfere unduly with his personal interests in Yazd. He has a congenital aversion to the obvious course and delights to achieve his objectives by devious means through the agency of others.

Is regarded as a mouthpiece of the British Embassy and tends to attribute ideas to us, which we do not hold, in order to further his own ends. Supported Musaddiq in 16th Majlis in order to ensure his own re-election in 17th.

191. Taqizadeh, Sayyid Hasan

Born in Tabriz about 1880, the son of a small preacher. He was educated in his native town, and used to haunt the booksellers' shops, where he showed great eagerness to acquire knowledge. In his early youth he was an ardent Nationalist, and was connected with the Nationalist movement in Persia from the beginning. He was elected to the 1st term of the Majlis and was one of its most prominent members.

In the *coup d'Etat* of 1908 Taqizadeh took refuge in His Majesty's Legation and as a condition of his amnesty went to the United Kingdom. Returned late 1908 and played prominent part in 2nd Majlis. Elected to 3rd and 4th Majlises *in absentia*. He stayed in Europe and America during the whole period from 1914 to 1923 and was for years in Berlin, where he edited a paper called *Kaveh*. He negotiated the Perso-Soviet Commercial Treaty in Moscow in February 1921, and finally returned to Persia in 1924. Member of 5th and 6th Majlises. Appointed Governor-General of Khurasan in January 1929; he was recalled in May and appointed Persian Minister in London, where he remained until April 1930, when he returned to Persia and became Minister of Roads and Communications. In August 1930 he was appointed Minister of Finance in addition.

Taqizadeh fell from grace in September 1933, for reasons which are obscure. The Shah is said to have suspected him of intrigue with Majlis members in connexion with the purchase of gold. He was, however, soon re-employed as minister in Paris.

Recalled from Paris in August 1934, but obtained prolonged leave of absence and did not return to Persia. Appointed Persian representative at the Congress of Orientalists at Rome in September 1935. Appointed minister in London by Furughi 1941 and became ambassador in 1944. Headed Persian Dele-

gation to the United Nations Organisation in London in January 1946 and ably presented the Persian case when the Security Council considered the Perso-Russian dispute about Azerbaijan. Appointed to act as Persian representative in winding up the League of Nations in Geneva March 1946.

Elected Deputy for Tabriz in 15th Majlis and as the five years of his appointment in London had ended he agreed to return to Persia to take his seat. As an old friend he helped Hakimi when the latter became Prime Minister in December 1947.

In a speech in the Majlis in January 1949 he said that he signed the 1933 A.I.O.C. Concession under emphatic orders from Riza Shah and against his better judgment. This brought into being a vociferous school of thought that the concession was therefore invalid and thereby provoked the demand for its revision.

Elected to the Constituent Assembly April 1949, but did not attend because of "illness." Elected Senator from Tehran October 1949 and President of the Senate on its inauguration in February 1950. Re-elected President, April 1951 and April 1952.

He is married to a German and talks German fluently. He speaks English and French less well.

There are now few traces of the fire-eater of the early 1900's and Taqizadeh is now noted for his extreme caution and unwillingness to adopt and speak up for any definite policy.

192. Tihrani, Sayyid Jalal-ud-Din

A famous astronomer who first appeared on the political scene when he became Minister without Portfolio under Qavam just before the latter's fall November-December 1947. Successful in first stage of Senate elections in Tehran October 1949. Minister without Portfolio under Sa'id November 1949. Transferred to Posts, Telegraphs and Telephones January 1950, and retained this office under Mansur April-June 1950. Appointed Guardian of Meshed Shrine June 1951. Governor-General of Khurasan October 1951-February 1952.

193. Vakili, Ali

Born in Tehran about 1897. A prosperous Tehran business man. He has held seats on Tehran Municipal Council and in Tehran Chamber of Commerce. He was Deputy for Tehran in the 10th Majlis and in the 15th Majlis.

An active, resourceful and enterprising man with a finger in many pies. He is shrewd and tends to work behind the scenes. Much of his business is with United Kingdom manufacturers and he has supported British interests fairly well. Attended Moscow Economic Conference in April 1952.

194. Valatabar, Abul-Fath, K.B.E. (Hishmat-ud-Dauleh)

Born about 1885. A member of the Tabataba'i family of Tabriz. A chamberlain of Muzaffar-ud-Din Shah when the latter was Crown Prince residing in Tabriz. Private secretary to Muhammad Ali Shah before he came to the throne, and continued in that post till 1909. An open enemy of the Nationalists. Governor of Resht in 1915. Minister of War 1916-17. Governor of Kerman 1918-19. Minister of the Interior 1920. Imprisoned by Sayyid Zia. Governor-General of Khurasan May 1924; resigned the next year owing to differences with the military authorities.

Aspired to employment in a suitable post at court, and attained an appointment as a kind of chamberlain at the court in 1943. A respectable old-timer who helped us during the 1914-18 war and received a K.B.E. He took no part in politics during Riza Shah's reign.

Appointed Governor-General, Azerbaijan, April 1949. Represented Tabriz in Constituent Assembly

April 1949. Surrendered Governor-Generalship on being nominated a Senator for West Azarbaijan February 1950.

Has owned large properties near Tabriz, but has spent most of his substance. Speaks French.

During the last year has supported Musaddiq at Court and with the Shah.

195. Varasteh, Muhammad Ali

Was Under-Secretary to the Ministry of the Interior and in 1942 was transferred to the Ministry of Finance. 1944-46 Governor-General of Isfahan, where he enjoyed the support of the Shah and was considered by His Majesty's Consul to have been honest and done his best to maintain law and order. Minister of Post and Telegraphs in Hakimi's Cabinet December 1947-June 1948. Joined Hazhir's Cabinet as Minister of Finance September-November 1948. Governor-General Kerman August 1949-February 1950. Minister of Health (Mansur) April 1950, but transferred to the Ministry of Finance later the same month. Resigned shortly before fall of Cabinet June 1950.

Minister of Finance under Ala March 1951 and continued in same office under Musaddiq May 1951. Led the Persian delegation to the A.I.O.C. negotiations June 1951 and to the Stokes negotiations in August 1951. Resigned from Ministry of Finance end of 1951 but returned March 1952.

A man of weak character and little influence. Unimaginative and obstinate.

196. Yazdan Panah, Murtiza, General (Sipahbud)

Born about 1891; son of Mirza Ali Akbar, a small shopkeeper in the village of Sardasht. In 1907 he entered the Cossack Cadet School. Received his commission in 1912, showed strong pro-Russian sympathies, and consequently gained rapid promotion. Made lieutenant-colonel in 1919 and colonel in 1920. During the whole of his service he was intimate with Riza Khan, and accompanied him on the march to Tehran in February 1921 which culminated in the *coup d'Etat*. Was promoted general and given command of the Central Division. In July 1927 he fell from favour, and was put under arrest for an unknown reason, but released very soon. In the autumn of 1928 he was appointed inspector of the gendarmerie, but was superseded in 1930 and left without any active command.

Inspector of Infantry in 1932. Commandant of Tehran Cadet College 1933.

On the fall of Riza Shah, he became Chief of the General Staff, and worked as a loyal supporter of the young Shah.

Appointed adjutant-general to the Shah autumn 1943, a post he still retains. Member of the Perso-Soviet Cultural Relations Committee February 1944.

Leader of military contingent chosen to represent Persia at Victory Parade in London June 1946. Minister of War in Hakimi's Cabinet December 1947-June 1948; Minister of Roads (Sa'id) September 1949; transferred to Ministry of War January 1950 and retained this post under Mansur April-June 1950. As Adjutant-General accompanied the Shah to the United States November-December 1949, but not to Pakistan March 1950.

He is active, honest, genial and staunchly patriotic. A rather stupid Nationalist who has supported Musaddiq at Court and with the Shah during the past year.

Speaks French and Russian and has a Russian wife.

197. Yazdi, Dr. Murtiza

Born about 1900. Educated in Germany where he is reported to have joined the Communist Party. Often represented Tudeh workers in negotiations between them and their employers. In early months

of 1946 made a tour of the south and south-east in an effort to whip up Tudeh support and was responsible in large measure for the troubles in Isfahan in April of that year. A member of the Directing Committee of the Russo-Persian Cultural Relations Society 1946. Minister of Health under Qavam-us-Saltaneh in August-October 1946 when he used his position to fill important posts in the Ministry with Tudeh members and sympathisers.

After the attempt on the Shah's life he was tried with other Tudeh leaders and sentenced to five years' solitary confinement April 1949. Escaped with other Tudeh leaders December 1950.

198. Zabidi, Faslullah (Basir-i-Divan), Major-General (Sarlashkar)

Born in Hamadan about 1890. His father was for many years in charge of the late Nasir-ul-Mulk's property at Hamadan. Joined the Constitutional movement and was wounded. Joined the Cossacks and thus came into contact with Riza Khan, under whom he served. Commanded the troops at Shiraz in 1922. In 1924 commanded the troops sent to Khuzistan, and helped to arrest the Sheikh of Muhammerah in 1925. Transferred to Resht in 1926, where he commanded the Northern Independent Brigade. Recalled to Tehran December 1928. Commanded the Road Guards 1929. Arrested and degraded for neglect of duty in 1929. Soon after he was pardoned and reinstated. Chief of Police 1931. Relieved of this post after a few months owing to the escape of some prisoners from prison. Dismissed from the army in 1931. Turned his attention to business and became a partner in the "Kazadema" Ford agency. Reinstated in the rank of general 1932 and made aide-de-camp to the Shah. Member of the Iranian commercial delegation to Russia in April 1935, and subsequently visited Central Europe.

Commanded troops at Isfahan 1942, and gradually took charge of all departments of Government; proof was found that he was working with the Germans, and he was arrested by British troops and taken out of Persia in the autumn of 1942. Released in 1945. Appointed Inspector of the Forces of the South July 1946. Placed on the retired list June 1949. Successful in first stage of Senate elections in Hamadan autumn 1949. Appointed Chief of Police November 1949. Nominated Senator for Hamadan February 1950 while remaining Chief of Police. Forced to resign from this post May 1950, largely owing to the activities of Razmara, Chief of the General Staff.

Joined Ala's Cabinet as Minister of the Interior April 1951 and continued in this office under Musaddiq May 1951. Resigned August 1951 following fighting between Tudeh and Dr. Baga'i's party which he, as Acting Chief of Police, failed to prevent.

More of a politician than a soldier. Made a good deal of money in Khuzistan. Being capable of generosity he was not unpopular with the troops under his command. As Chief of Police showed himself active and enterprising and gained a certain popularity. Has political ambitions and has been to some trouble to woo the free trade union movement.

Married the daughter of Husain Pirnia (Mu'tamin-ul-Mulk) in 1927, but divorced her and subsequently married one of the rich Ittihadieh family.

199. Zand, Ibrahim

Born about 1890. Educated at the Cadet College at St. Petersburg. Then sent to study law in France, where he was a contemporary and friend of Javad Amiri. Towards the end of the 1914-18 war became an active member of the Musawat Party in Azerbaijan, and in 1919 became a member of the short-lived Azerbaijan Government. After its fall he went back to France, and a few years after returned to Persia, where Davar employed him in the Ministry

of Justice as an adviser. He was subsequently transferred to the Ministry of Finance, and in 1938 became a member of the board of the National Bank. On the appointment of A. H. Ibtihaj as director of that bank he left the bank and was employed at Court as Comptroller of the Royal Accounts. Minister of War in Suhaili's third Cabinet December 1943. Minister of War in Sa'id's Cabinets March and April 1944, in Bayat's Cabinet November 1944. Hakimi's Cabinet May 1945 and Sadr's Cabinet June 1945. Governor-General, Isfahan, January 1949-February 1950, when appointed Minister of the Interior by Sa'id. Continued in this office under Mansur for a few weeks and then appointed Governor-General of Azarbaijan April 1950. Replaced Ibtihaj as governor of the National Bank July 1950. Appointed Ambassador to Turkey August 1951.

Suffers from ill-health and has made frequent trips to Palestine for treatment. A patriotic and honest man with a background of military training of the Russia of Tsarist days. Had sound ideas about eliminating corruption in the army but lacked courage to enforce his will.

Married to the sister of Farajullah Bahrami. Speaks Russian extremely well, probably better than Persian. His daughter is married to Prince Abdur Riza.

200. Zanganeh, Dr. Ahmad Ibrahim

Born c. 1909. Director of Industrial and Mining Bank and for a time managing director of this bank. He had been connected with the Planning Organisation of the 7-Year Plan for some time before being appointed a member of the Council of the Plan on its creation in May 1949. Resigned to become Minister of P.T.T. under Ala April 1951. Managing-Director of Plan Organisation May 1951.

Has shown keen interest in economic development schemes. Said to be progressive and active, but with little real drive. More theoretical than practical said to have marked tendencies towards the Left.

201. Zarin-Kafsh, Ali Asghar

Born about 1885, of a Tehran family of Kurdish descent. Educated at the Political School in Tehran, and employed in the Ministry for Foreign Affairs in subsidiary posts for several years. In 1923 and 1924 was head of a section of the Ministry and was always very courteous and helpful whenever referred to by members of this embassy. Served as "chef de Cabinet" to Furughi while the latter was Minister for Foreign Affairs. He was subsequently posted to Washington, where he spent more than a year as secretary to the Persian Legation. He was recalled to Tehran in about 1927, and served in the Ministry of Justice for a time under Davar, at the time when the Ministry was being fundamentally re-formed. He was for a time a judge of the Cour de Cassation. He then was transferred to the Ministry of the Interior, where he was serving as Under-Secretary when the Minister of the Interior, Ali Mansur, was transferred to the Ministry of Roads on 26th January, 1933. From thenceforward he served as Acting Minister of the Interior until Furughi's Cabinet was formed in September 1933.

Proceeded to England as commissioner of the Persian Government with the Anglo-Persian Oil Company in December 1933, with his wife and two children. Honorary counsellor to the legation in London 1937.

Returned to Persia December 1940. Under-Secretary at the Ministry of Justice from 1941. Has always been helpful in settling cases and giving advice on points of Persian law. On Hikmat's resignation from Suhaili's Cabinet in June 1943, became Acting Minister of Justice, but on the appointment of Sadr as Minister returned to the post of Under-Secretary. Minister of Finance 1944. Appointed chairman,

Industrial and Mining Bank February 1948. Replaced towards the end of the year. In 1950, on his return to Persia from England where he had a serious operation, was appointed to the Majlis Committee supervising the Seven-Year Plan.

Speaks English and French.

Zarin Kafsh is honest and socially most pleasant. In 1945 he joined the Iradeh-i-Milli Party and has a very high regard for Sayyid Zia.

202. Zirakzadeh, Engineer Ahmad

Born c. 1904. Studied construction engineering at the Ecole Polytechnique, Paris. At one time chief

engineer to the Persian Navy. Engineering adviser to Ministry of Finance 1942.

Closely associated with the National Front in its early days and took "bast" in the Palace with Dr. Musaddiq in protest against the conduct of 16th Majlis elections in Tehran, October 1949. Editor of National Front organ *Jibheh*; considered to be on the Left-wing of the National Front and to have Tudeh sympathies. Under-Secretary at Ministry of National Economy May 1951. Resigned December 1951 to stand for 17th Majlis. Elected to the 17th Majlis from Tehran.

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No. 150

PERSIA: HEADS OF FOREIGN MISSIONS

Mr. Middleton to Mr. Eden. (Received 17th July)

(No. 233. Confidential) *Tehran,*
Sir, *8th July, 1952.*

With reference to my despatch No. 349 of 29th December, 1951, I have the honour to send you herewith my reports on Heads of Missions in Tehran.

I have, &c.

G. H. MIDDLETON.

Enclosure in No. 150

Persia: Heads of Foreign Missions

(Passages marked with an asterisk are reproduced from previous reports)

Afghanistan

Ambassador designate: Abdul Husain Khan Aziz.
Chargé d'Affaires: M. Mohammad Younos.

Argentina

Minister: Benito Pedro Llambi.

Born 1907. After an uneventful military career he joined the Diplomatic Service in 1945 with the rank of Counsellor and Consul-General. Appointed Minister in Sweden in 1946. Has been absent quite a lot from Tehran but seems disposed to be friendly.

Married to a charming Spanish girl some 20 years younger than himself. They have two small children.

Austria

Minister: Erich Bielka-Karltru (23rd June, 1952).

A career official who has recently served in the Ministry at Vienna and was previously at Cairo. Friendly and apparently well disposed. He speaks fair English and excellent French. Normally resident at Ankara.

Belgium

Minister: L. A. Giffin (13th August, 1951).

Born about 1904. Previously Ambassador in Moscow for three years.

An amiable and friendly colleague who acquired an intense dislike of anything to do with Soviet communism during his years in Moscow. Intelligent and humorous. Has young and charming wife. Both speak excellent English.

Brazil

Minister: Hugo Gouthier de Oliveira Gondim (25th May, 1952).

Appears to be intelligent and friendly. Speaks some English and good French. Has a charming wife much younger than himself.

Chile

Minister: Jorge Barriga-Erazuriz.

Resident in Ankara.

Born about 1895. Entered Diplomatic Service in 1921. His last post was Madrid where he was Chargé d'Affaires with the rank of Minister. Married.

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China (Nationalist)

Counsellor: Shao Chang Hsu.

We have no official relations with this Mission. Mr. Hsu, who was previously in Rangoon, is intelligent and disposed to be friendly. His wife is charming.

Czechoslovakia

Vacant: Chargé d'Affaires: Jan Sabacky, Second Secretary (arrived 1st November, 1950).

*Friendly in manner but avoids politics. Talks volubly in bad Russian and stilted English and has a passion for English detective stories. (Written in 1951.)

Denmark

Minister: Axel Kaspar Frederick Sporon-Fiedler (14th October, 1947).

*Before coming to Persia he was for many years Consul-General in San Francisco and had obviously taken root there. He is meticulously formal and precise, but hospitable and kindly. Mrs. Sporon-Fiedler, though vague, is agreeable and has somewhat clearer idea than her husband of what is going on around her. (Written in January 1951.)

Egypt

Ambassador: Ilias Ismail Bey (4th April, 1950).

*Small, wiry, intelligent, friendly and confidential in manner. His own attitude towards Britain is more sensible and friendly than that of his Government. Entertains a great deal. (Written in January 1951.)

Ethiopia

Minister: Serequeberhan Guebrezie (19th November, 1950).

*Speaks excellent French and fair English, also apparently Greek and Italian. Has been Director-General of Press and Propaganda and Consul-General at Jerusalem, Beirut and Damascus. Admits he has nothing to do except establish good relations between Ethiopia and Persia. (Written in January 1951.)

Finland

Minister: Asko Paivio Ivalo (21st April, 1951).

Born 1901.

*Formerly Minister at The Hague. Speaks good English and French. Is also accredited to Ankara, Bagdad and Karachi, and appears to spend most of his time away. (Written in 1951.)

France

Ambassador: François Coulet (10th July, 1950).

*Born in 1906 and graduated from the Ecole Libre des Sciences Politiques. Joined the Diplomatic Service in 1935 and served at Moscow and Helsingfors. Joined the Free French Forces on 19th June, 1940, and was duly dismissed by Vichy a month later. He was Chef du Cabinet to General de Gaulle from 1941 to 1943, when he was appointed Secretary-General at the Préfecture of Corsica for a short period. Subsequently returned to England and was sent in June 1944 to be General de Gaulle's Regional Commissioner in Normandy immediately after the Allied landings. After the liberation of Paris he was for a time delegate for Inter-Allied Relations at

the Quai d'Orsay until he became Director of European Affairs in 1945. Appointed Minister at Helsingfors in 1947. (Written in January 1951.)

Pleasant and friendly though inclined to be rather vain and touchy. He is sometimes critical of American policy. A keen tennis player.

Greece

Vacant.

Holy See

Apostolic Delegate: Mgr. Paolo Pappalardo.

*Has been Acting Delegate since 1946. Is Archbishop of Apamea in Syria and Administrator of the Latin Archdiocese of Isfahan. He is not much seen but is always friendly. (Written in January 1951.)

Hungary

Minister: Istvan Murai (22nd December, 1951).

Believed to have been a carpenter and one time Mayor of Budapest. Served in Paris (where he was also Chargé d'Affaires to the Spanish Republican Government) and Rome. He is not much seen and is said to be responsible for much covert work for the Soviet. Speaks some French in a high squeaky voice. His wife is a grim hard-faced woman.

Iceland

Minister: Helgi Briem (29th September, 1951).

*Also Minister to Sweden, Finland and the Soviet Union. Does not appear in Tehran. (Written in 1951.)

Indonesia

Minister: Hadji Mohammed Rashidi (13th April, 1952).

Previously Minister at Cairo. Taciturn and does not appear particularly well-disposed towards Europeans. Married.

Iraq

Vacant. Chargé d'Affaires: Baha-ud-Din Dia Nuri (31st August, 1951).

A friendly colleague who speaks good English. He is inclined to regard the Persians as rather ridiculous people and becomes incensed over Persian claims to e.g., Bahrain.

Italy

Ambassador: Enrico Gerulli (7th December, 1950).

*Explorer and sociologist. Before the war was Chief of Political Office in Italian East Africa and Vice-Governor-General in Ethiopia among other Colonial appointments. After the war attended the Peace Conference as Adviser on Colonial Affairs to the Foreign Ministry but has not previously held a diplomatic appointment. (Written in January 1951.)

He is unfortunately losing both eyesight and hearing. Unfailingly friendly and co-operative. A keen but indifferent bridge player. His wife who is also very friendly plays rather better. Speaks English and French.

Jordan

Minister: Abdul Monem Rifa'i (16th October, 1950).

*About 36. Speaks admirable English, is genuinely friendly and is critical of current Persian nationalism and xenophobia. Married. (Written in 1951.)

Lebanon

Minister: Dr. Salim Haidar (2nd October, 1946).

*Born about 1910. Graduated as a lawyer from the French Jesuit College at Beirut and was then sent

to France to continue his studies at the expense of the Lebanese Government. Became a Doctor of Law in France and on his return to the Lebanon was appointed a judge for Beirut. Well-read, intelligent and quite friendly. Made a good and sensible speech at the recent Islamic Economic Conference at Tehran which made a mark amidst a flow of woolly oratory. Married. (Written in January 1951.)

Netherlands

Minister: A. J. Schrikker (7th December, 1950).

*Born 1892. Married. Consul-General at Hamburg since 1946. Appointed to the Consular Service in 1915. Consul-General at Dusseldorf in 1938 and interned by the Germans for several months after the occupation of Holland. Seems the typical heavy, friendly Dutchman. (Written in January 1951.)

Norway

Minister: Ernest Krogh-Hansen (16th October, 1950).

Resident in Ankara.

Is seldom seen in Tehran but is friendly and punctilious when he does appear.

Poland

Chargé d'Affaires: Kazimiera Smiganowski (22nd July, 1947).

*A satellite friendly in manner who has recently married his secretary. (Written in January 1951.)

Roumania

Vacant. Chargé d'Affaires: Nicolas Cordonevanu (23rd May, 1951).

*Very young and extremely embarrassed when talking outside the circle of satellite colleagues. (Written in 1951.)

Saudi Arabia

Minister: Hamzeh Gows (26th May, 1948).

*I only know that he is amiable and picturesque, but he talks no European language. His Arab dress adds to the colour of Tehran receptions. (Written in January 1951.)

Soviet Union

Ambassador: Ivan Vassilievitch Sadchikov (26th March, 1946).

*Formerly Minister at Belgrade. Thick-set, slow moving, with mean little eyes. Does not enjoy good health. Can do amiable small talk in fair French, but if anything serious is mentioned he takes refuge in platitudes. Appears to have been affable with the Persians in his dealings with them over the 1950 Russian-Persian Trade Agreement. Is only seen at large parties and seems to make a habit of being noticeably late. His wife looks pale and unhappy and is always accompanied by a female interpreter. (Written in January 1951.)

Has recently shown an inclination to be rather more friendly.

Spain

Minister: Alfonso Fiscowich (21st April, 1951).

*Also accredited to and normally resident in Ankara.

Chargé d'Affaires: Emilio Beladiez Navarro (6th May, 1951). Married. A charming couple who both speak excellent English and French. He has no work to do and hopes to be transferred as soon as possible. (Written in 1951.)

Sweden

Minister: Dr. Gunnar Jarring (15th October, 1951).

*Born 1907. Transferred here from New Delhi, having previously served at Ankara, Tehran, Bagdad

and Addis Ababa. A student of Central Asian ethnology and linguistics.

Quiet and reserved, but shrewd and of good judgment. Is careful to maintain his country's "neutrality" in all matters. (Written in 1951.)

Has a talkative wife who plays bridge.

Switzerland

Minister: Alfred M. Excher (27th August, 1951).

*Born 1906. Was concerned with refugee relief in Palestine in 1948 as Commissioner for the International Committee of the Red Cross. Friendly and sensible. His wife is English by birth. (Written in 1951.)

Syria

Vacant. Chargé d'Affaires designate: Omar Bey el Djabri.

Turkey

Ambassador: Ali Fuat Türkgeldi (8th August, 1951).

*Born about 1891. After being Minister at Rio de Janeiro, Tirano and The Hague was first Turkish Ambassador to India in 1949.

A shrewd and capable career diplomat. He is very well disposed towards us and laments the fact that Persia and the Near East fail to appreciate the

value of the Western connexion as Turkey does. (Written in 1951.)

United States

Ambassador: Loy W. Henderson (29th September, 1951).

*Born 1892. After service with the Red Cross in the 1914-18 war he joined the Foreign Service in 1922 and served in Baltic countries, and before and during the last war in Moscow, where he was Chargé d'Affaires. Later Minister in Iraq and head of the Office of Near Eastern and African Affairs of the State Department. Ambassador to India, 1948-51. He is a friendly colleague, who appears genuinely to believe in Anglo-American co-operation and to practise what he believes. Balanced and cautious. (Written in 1951.)

He is married to a lady of Latvian origin who is incredibly indiscreet and rather a menace.

Yugoslavia

Minister: Sherif Shehovich (13th August, 1951).

*Born about 1911, by origin a Bosnian Moslem. A prominent partisan in Dalmatia and Croatia. For some months Chief of Western European Affairs Department in the Yugoslav Ministry of Foreign Affairs.

Has a genial and friendly manner and speaks some French. (Written in 1951.)